

TIME NEWS

Lord Armstrong defends open government in committee considering ministerial secrecy

Hennessy, a member of the House of Commons, has defended the publication of the diaries of the late Lord Armstrong, a Conservative Minister, in a committee considering ministerial secrecy.

Lord Armstrong, who died in 1968, was a prominent figure in the Conservative Party and served as Minister of Agriculture and Fisheries. His diaries, which were published in 1974, provided a detailed account of his private life and his role in government.

Hennessy, who is a member of the House of Commons, has defended the publication of the diaries, arguing that they provide a valuable insight into the workings of government and the private lives of Ministers. He said that the diaries were not only a record of Armstrong's private life but also a record of his public life, and that they were a valuable asset to the nation.

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Silkin's statement on Crossman case

Samuel Silkin, QC, the Attorney General, has issued a statement on Saturday, in response to a leading article in the Times newspaper, which said that the Attorney General had been negligent in his handling of the Crossman case.

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Opposing bills

up by 6½ pc
ce last year

ugh Clayton

opping bills in Britain in
first three months of this
were on average almost
in the pound higher than
the end of 1974, according
survey published today by
Ministry of Agriculture,
Fishing and Food.

household purchases of beef
year have reached more
for a week for each per-
son, compared with less than
at the end of 1974. The
figure is the highest
for 10 years.

Comparatively low prices for
beef have led to a cut in
age consumption from 32oz
a week to 28oz a week, but
the level of consumption has
been slightly more than
in the final months of last
year.

he ministry says that the
average content of the average
fell last year because less
was eaten. Food alone
of the average household
consumption, but the deficit
is made up by sweets and
other drinks.

For households with more
than four children the intake
was found to be below
the recommended level, although
overall nutritional value of
diet for large families was
up in the 12 months to the
end of March this year than
before.

roadmoor death

Police yesterday were investi-
gating the death of a woman
Ann Miller, aged 35, who
was sent to the hospital in 1956
after being convicted of murder.
She was found with a pair of
gloves round her neck.

Parliamentary diary

House of Lords

Monday, June 23: Iron and Steel Bill
read a second time. Lord Hailsham
moved amendment to Clause 1, which
relates to the powers of the Secretary
of State. The amendment was
accepted. The Bill then passed
to the House of Commons.

Tuesday, June 24: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Wednesday, June 25: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Thursday, June 26: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Friday, June 27: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Saturday, June 28: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Sunday, June 29: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Monday, June 30: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Tuesday, July 1: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Wednesday, July 2: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Thursday, July 3: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Friday, July 4: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Saturday, July 5: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Sunday, July 6: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Monday, July 7: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Tuesday, July 8: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Wednesday, July 9: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Thursday, July 10: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Friday, July 11: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Saturday, July 12: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Sunday, July 13: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Monday, July 14: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Tuesday, July 15: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Wednesday, July 16: The House of
Lords considered the report of the
Select Committee on the
Ministry of Agriculture, Fishing
and Food. The Committee's report
was accepted.

Farmers' reports show fear for crop prospects unless there is sustained rain

Apprehension and disappointment
are prevalent in the first of the
1975 crop reports to The Times
from farmers throughout Britain.
The transformation from pessimism
to optimism in the past few weeks
has been a relief to many farmers,
but the reports also show that the
planning season one of the most
frustrating for years.

Average national ratings are
among the lowest of the past five
years for the end of June. All the
1975 figures are well below the
10-year average and the level for
wheat is conspicuously lower than
in any of the past five years.

Reports from Wales and in the
central and southern England are
almost unanimous in stressing the
urgent need for sustained rain. A
Midlands farmer writes: "The
drought has been a disaster for us
and we are now in a desperate
struggle to keep our crops alive."

Another farmer writes: "This is
going to be the leanest year for
arable farmers in this area since
the war. The crops are now in a
desperate struggle to survive."

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Support for
MPs in
mining
areas

From a Staff Reporter

Leeds

Disquiet over the attitude of
the Yorkshire area council of
the National Union of Mine-
workers towards union-spon-
sored members of Parliament
instructing them to vote in
line with the area NUM policy
and ensuring that they did
not do so in the EEC referen-
dum was reflected at consti-
tuency Labour Party meetings
over the weekend.

In three constituencies on
Saturday vote of confidence in
the elected members of Parliam-
ent were passed.

They were at Dearne Valley,
represented by Mr Edwin Wain-
wright; Pontefract and Castle-
ford, represented by Mr Joseph
Harper; and at Hensworth,
represented by Mr Alec
Woodward.

At Barnsley, which is repre-
sented by Mr Mason, Secretary
of State for Defence, and Nor-
manton, represented by Mr
Albert Roberts, are likely to be
called within the next four
weeks.

All the members mentioned
incurred the displeasure of the
Yorkshire area NUM council
by either voting or campaigning
for Britain's retention of EEC
membership. At all the weekend
meetings varying measures of
amalgamation were expressed
at what was considered the high-
handed attitude taken by the
NUM in Yorkshire and voiced
by Mr Arthur Scargill, the
Yorkshire Miners' president,
after last week's area council
meeting.

Not the least disquiet is being
expressed by representatives of
other trade unions, among them
the Union of Shop, Distributive
and Allied Workers, the
National Union of Railwaymen
and the National Union of
Public Employees. They take
exception to the NUM issuing
guidelines for MPs who, they
point out, also represent con-
stituents other than miners.

A NUPE representative in the
Hensworth area said the NUM
should consider itself lucky
that it was in a position to
have a sponsored MP look-
ing out for the interests of
miners and that his union
would welcome the opportunity
of being in the same position.

There is also a general view,
though not substantial, that for
years the Yorkshire miners are
a diminishing force and influ-
ence the total Labour vote only
marginally. Mr Roberts has a
majority of well over 10,000 and
the other four mentioned each
have majorities well over 20,000.

Mr Roberts, who is the
director of the Leo Baeck
College, where Mrs Tabick
studied, described her ordina-

tion as a "huge step" of much
greater significance than Mrs
Golda Meir becoming the first
Prime Minister of Israel.

Orthodox rabbis would be
horrified, he said, as there were
rabbinical functions prescribed
in Talmudic Law which women
could not perform.

"But progressive Judaism is
aware that for much too long
we have not taken advantage of
the tremendous potential of half
of the community."

Mrs Tabick recently married
Mr Larry Tabick, aged 27, a
fellow student at the college
where she completed a four-
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become education officer at the
West London Synagogue, under-
taking pastoral and teaching
work.

Before the thanksgiving ser-
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become a rabbi for a long time.

"I wanted to learn more about
Judaism. I am attracted by the
teaching and the pastoral side
of the work, but I never really
wanted to be the first woman."

Mrs Tabick, a history
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Mrs Jacqueline Tabick before yesterday's thanksgiving service.

First woman
rabbi
in Britain

By a Staff Reporter

Mrs Jacqueline Tabick, aged
26, on Saturday, became the first
woman outside the United States
to be ordained a rabbi.

A thanksgiving ceremony was held
yesterday at the Liberal Jewish
Synagogue in St John's Wood,
London, to celebrate the
ordination of Mrs Tabick and
five other rabbis.

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WEST EUROPE

Portuguese political turmoil reflected in education system

From Michael Binoy

Lisbon, June 29. Portuguese education is in a state of utter confusion. Almost every day there are reports of fighting in the universities and high schools. Marxist students burning down school buildings, sackings of teachers and lecturers, demonstrations outside the Ministry of Education, and raids by the military security police on student meetings.

Apart from the economy, the chaos in schools and universities more than anything else has disturbed the average person. The Supreme Revolutionary Council frankly acknowledged this last week in a strong attack on uncontrolled leftism among students.

What is happening in the academic world is a microcosm of the political turmoil throughout Portugal.

Lisbon University has been the scene of the greatest battles. Three revolutions have coincided: Political change, the sudden introduction of universal student participation, and the overthrow of whole chunks of the academic programme.

The political change has been the most cataclysmic. Before last year's coup the university was the centre of the strongest opposition to the old regime, but it also contained its staunchest supporters.

In April last year everything burst open. Lecturers known for their connections with the previous Government were denounced, excluded by the students from classes, and threatened with violence if they showed their faces on the campus again. Whole faculties were suddenly denounced of staff.

This spontaneous action was endorsed by the new Government. A commission was set up to "try" anyone against whom charges were made.

This body, now under military leadership, has been very thorough and correct. Teachers denounced have been suspended on full pay while they are investigated, one by one, in confidence. According to the

gravity of their past involvement, they have been reassigned to other university posts, retired early with a pension or dismissed outright.

The trouble has started when those "acquitted" by the commission have gone back to work. In some cases students have refused to have them back.

The gap left by the teachers "cleansed" to use a Portuguese term, in many cases has been filled by students returning from the universities of Europe. But in some cases the students themselves decided to appoint the teachers.

The second revolution has been in student participation. Previously this was virtually nonexistent. Now it is almost universal, and secondary assemblies which elect a committee responsible to the ministry.

Everyone has the right to attend, including teachers and cleaning staff. The former, however, have often been frightened to attend in case they were denounced and the latter have lost interest.

So the assemblies are generally run by students. Violent political clashes have often been followed by a general strike. Finally, there has been the academic revolution. The heavy authoritarian system based on rigid examinations has given way to experiments in continual assessment, and syllabuses have been completely revised.

The teachers are thoroughly confused by the new system and have more or less given up responsibility for both discipline and academic content.

The Government has now decided that enough is enough. Last week's communiqué from the Revolutionary Council said students had a duty to society to study and were in danger of becoming social parasites.

What can be done to calm things down is not clear. In the university administration and the ministry a number of particularly tactful and clearheaded educationalists are trying to restore stability.

Communists hit back at Lisbon Socialists

From Our Special Correspondent

Lisbon, June 29

Portugal's Communists, who have been under increasing pressure in the past two weeks, hit back last night with a strong attack, aimed mainly at the Socialists, on "reactionaries" stirring up an anti-communist campaign.

At a mass rally in the Lisbon building, Senhor Alvaro Cunhal, the party leader, warned the Socialists not to try to manoeuvre the Communists out of power. The Government would collapse and the Socialists would have to pay the price.

Addressing more than 12,000 disciplined supporters, Senhor Cunhal accused the Socialists of trickery. Their socialism meant keeping the capitalists and landowners; it was a mask for the dictatorship of capitalism and the right. No Government in Portugal in the present conditions could work without the Communists, he said.

There is no doubt that the party feels itself under attack and will fight to regain its influence. The rally was the first big communist show of strength since the lengthy communiqué from the Revolutionary Council last week and can be seen as the party's answer to it.

It followed a massive demonstration organized by the Socialists last week which the Communists, alone of the left-wing parties, boycotted.

By chance the Supreme Revolutionary Council announced at the weekend the establishment of a new committee structure with resemblances to the Communist Party system. Within the 28-man governing body there is to be a political committee consisting of four as yet unnamed members whose jobs will be to coordinate the council's work with that of the Government, and sort out demarcations of authority. There will also be a central committee, consisting of the President, Prime Minister and other leading officials.

OVERSEAS



Gunmen sheltering behind stones ripped from pavements, firing along a rubble-filled Beirut street yesterday

India threatens reporters with expulsion

Delhi, June 29

The new head of the Information Ministry told correspondents of non-Indian news organizations in Delhi last night that they risked expulsion if they failed to submit their dispatches or broadcast scripts for censorship before sending them outside India.

Mr. Vidya Charan Shukla, Minister of State for Information and Broadcasting, also told about 40 correspondents who had been summoned to his office that they must report to him or to the censor board informally to their superiors.

He indicated that the correspondents would be held responsible, in certain circumstances, for news about India that their organizations published or broadcast even if it did not originate with the correspondents themselves.

Mr. Shukla seemed intent on tightening the enforcement of the censorship rules that the Government imposed after declaring a national state of emergency on Thursday morning. He also seemed to want to spread anxiety among the correspondents, who included half a dozen or more Indian citizens. He presented the restrictions

in a resolute manner after he had told his listeners, who included British, Swiss, Japanese and Italian journalists, not to take notes on what he was saying.

At a resonant voice, he declared that the laws of any government were there to be observed. Ignoring the traditions of passive resistance to law, he contended, without elaborating clearly, the honour required that the correspondents scrupulously adhere to the censorship rules.

On Thursday the Information Ministry issued a set of guidelines for the press. They contained such injunctions as: "No publication of rumours; no reproduction of objectionable matter already published in any Indian or foreign newspaper; no publication of anything likely to bring into hatred or contempt or to incite disaffection towards the Government."

When a correspondent asked what the penalty for non-compliance would be, Mr. Shukla paused and said, "Expulsion." That seemed to indicate that the correspondents would be punished by Indian courts.

Many journalists applauded

after a British correspondent told Mr. Shukla that a journalist must protest against the restrictions. —New York Times News Service.

Peter Hazelhurst writes from Delhi: Saboteurs made an attempt yesterday to set fire to television studios at All India Radio, the headquarters of the official broadcasting station in Delhi.

The fire was brought under control after four hours and the station managed to maintain uninterrupted transmissions while the staff attempted to salvage equipment.

The police said they suspected that the fire had been started by dissidents who threatened to organize a disobedience campaign throughout the country because of the emergency regulations.

More than 500 demonstrators and many of Mrs. Gandhi's leading political opponents have been arrested since the emergency was declared.

Government spokesmen said the Opposition had called for a general strike in Bihar state but traffic was running normally over the weekend and 80 per cent of shops in the state capital were open. —district magistrate of Delhi

issued orders banning processions and other forms of political activity.

Delhi, June 29. Police wielding clubs waded into unarmed crowds of anti-Government sympathizers today, arresting at least 30 persons in the first known mass demonstrations since the emergency decrees.

Frightened demonstrators took refuge in houses, shops and alleyways in the crowded old city of Delhi, but the police charged in after them. —UPI

David Bonavia writes from Peking: Mrs. Gandhi had "discredited the last figment of democracy" by her emergency measures, the People's Daily said today in a leading article. It strongly attacked Russia for its support of Mrs. Gandhi.

"All the reactionary measures and criminal behaviour of India's Government," the article said, "have invariably won the applause and support of the Soviet revisionists." It said: "But India belongs to the Indian people and they will certainly not tolerate for long the reactionary rule of India's Gandhi regime, nor allow anyone to sell their country to a superpower."

Nato naval plans for east of Suez

By Henry Stanhope

Defence Correspondent

Allied naval commanders are hoping that the reopening of the Suez Canal and the ending of the Simonstown agreement may pave the way for an extension of NATO's presence in the Indian Ocean.

The reopening of the canal cuts costs and time in deploying warships east of Suez and the ending of the agreement avoids Western suspicions of complicity with the present Government in South Africa.

NATO powers which already take a national interest in the Indian Ocean and the south Atlantic include Britain, the United States and The Netherlands.

Some joint planning already takes place between the three and the French Navy, to maintain Western presence east of Suez for most of the time.

But a joint employment involving the British and the Netherlands navies some time ago had caused consternation in The Hague because of fears that Holland might be drawn into Britain's connexion with South Africa.

Now Western navies would like joint planning in the Indian Ocean to be placed upon an official basis. A study of the problems has begun in Brussels.

Ships flee from Port Said harbour blaze

Port Said, June 29. Fire today destroyed a wharf in the harbour of Port Said, and, according to the Cairo newspaper *al-Ahram*, threatened at one time to destroy the entire pier at the northern end of the Suez Canal. Two merchant ships in the harbour put out to sea to escape the blaze.

Officials said normal traffic was disrupted along the canal, which reopened after June 6 after being closed since the 1967 war with Israel.

Firemen fought throughout the night to control the blaze. More than 100 people were treated in hospitals after being overcome by fumes and smoke. The fire was finally put out after 10 hours. It gutted a main dockside warehouse and left one of the wharves a smouldering ruin. —Reuters

Posters galore in holiday protest

From Our Own Correspondent

Peking, June 29

Students at Peking University have put up wall posters protesting against the decision of the authorities to cancel the summer holiday on the ground that the four-week annual holiday allowed them to make use of their knowledge and acquire experience; but the authorities had ordered posters pasted over the posters.

Chinese workers receive no annual vacation, apart from a day or two at the new year, on May Day and on October 1.

Clash at first food council session

From Our Correspondent

Rome, June 29

The inaugural session of the United Nations World Food Council, set up to mount an international offensive against world hunger, ended a five-day meeting here yesterday morning with a difference of opinion and apparently no concrete achievements.

The clash came on Friday night when the developing countries' Group of 77, embittered by lack of progress in the battle against hunger, called for the resignation of the council's secretariat of 10.

The developing countries maintained that the secretariat,

headed by Mr John Hannah of the United States, had been responsible for lack of progress in the council and was dominated by the richer Western countries. Apart from Mr Hannah, the secretariat's five other senior members are two Americans, one Frenchman, one Pakistani and a Nigerian.

Mr Hannah's Nigerian now looks precarious after a determined effort to oust him on Friday night by developing countries led by Mexico, Cuba and Senegal.

The Group of 77 at one stage called for the suspension of the World Food Council, which was established by the world food conference in Rome last Novem-

ber with 36 members; but eventually the group's complaints about lack of consultation in setting up the secretariat were included in the council's final report, which will be sent to Dr Kurt Waldheim, the United Nations Secretary-General.

The report disclosed the deep divisions between the developed and developing countries, and there was a lack of unanimity on many resolutions. One senior Western delegate said the meeting had achieved "nothing".

The council in fact appeared to have taken no other steps to fulfil the anti-hunger plan outlined by the November world food conference.

Journalists object to purchaser of 'Le Figaro'

From Charles Hargrove

Paris, June 29

The idea of *Le Figaro*, that pillar of the bourgeoisie, changing hands in France, going on strike is incongruous. But it may well happen this week if M Jean Prouvost, the textile magnate and chief proprietor of the newspaper, sells his controlling interest in the newspaper worth 60m francs (€6m) to M Robert Hersant, the owner of the Paris-Normandie group of newspapers by July 1, the time limit set by the banks for the sale.

The journalists on *Le Figaro* decided on Friday to call the strike if the decision to sell to M. Hersant, who, in their opinion, did not provide the necessary moral and financial guarantees, was not postponed.

They insisted that one month's delay be granted by M Prouvost and the banks in order to find "a new solution satisfactory to all the shareholders of *Le Figaro*".

The newspaper faces a deficit of 3m francs (€300,000) on its running costs alone. M Jean d'Ormesson, the editor-in-chief, admitted recently, owing to the steep rise in the price of newsprint and falling advertising revenue.

The objections of many of the journalists on *Le Figaro* to M. Hersant are threefold: he is alleged to have had a questionable record during the German occupation, although this has since been covered by an amnesty; his reputation as a powerful and successful manager has recently been called in question by the journalists of the Paris-Normandie group, which he bought three years ago; and finally *Le Figaro* would lose its editorial freedom just as the Paris-Normandie papers did when they passed into his hands, even though he promised not to tamper with the newspapers' independent political line.

The trouble is that there is no other potential purchaser of M Prouvost's share of *Le Figaro*.

Italian party attempt to remove Signor Fanfani

From Our Correspondent

Rome, June 29

Six left-wing members of the Christian Democrat central committee have announced that they will resign tomorrow in an attempt to remove the party secretary, Signor Amintore Fanfani, and force changes in the leadership.

The six men, three of whom are government ministers, are leading attacks on Signor Fanfani within the party following his serious setbacks in recent regional elections where the Communists made big gains and came within two percentage points of the Christian Democrats.

They will hand in their resignations at a special central committee meeting called for Signor Fanfani for tomorrow. The left-wingers believe that the only way to ward off a defeat in the general elections in 1977 is to profoundly change the Christian Democrat's policy to take account of the regional election results. They have called for the replacement of

the whole 44-man central committee.

Signor Fanfani, who is well known for his political tenacity, refuses to step down unless he is forced to do so. His sole reaction to the election results so far has been to suggest a revival of the centre-left coalition based on a Christian Democrat-Socialist alliance.

The Socialists have rejected this and have themselves called for profound Christian Democrat policy changes. Signor Fanfani wants to call an extraordinary Christian Democrat national party congress next autumn but the left-wingers are clearly against this.

Although this congress would give the whole party a chance to discuss a possible new strategy, it would also give Signor Fanfani a breathing space during the summer with the situation effectively frozen. The left-wingers believe that a national congress would lead to deep rifts within the party and provoke a crisis which could only end in premature general elections.

Photograph clue in search for French agents' killer

From Our Own Correspondent

Paris, June 29

An intensive manhunt is being carried out throughout France after a fatal shooting incident in the Paris quarter of Paris arising from investigations intended to dismantle an international terrorist organization. The police have a photograph thought to be of the assassin.

Two inspectors of the Direction de la Surveillance du Territoire (DST), the French counter-espionage organization, were killed on Friday night in a shooting in the Paris suburb of Nanterre. A suspected Lebanese terrorist, arrested a few days earlier and escorted by the police to the house of the assassin, was also killed.

A statement by the Ministry of the Interior said that the terrorist network was suspected

of planning bomb attacks and kidnappings. The Lebanese had come to Paris apparently to make contact with an important member of the network. He eventually agreed to take the police to one of his contacts. When the police appeared, one of the terrorists immediately opened fire. All members of the party escaped.

A photograph of a man believed to be responsible for the shooting was discovered by the police. It is being widely circulated throughout the country. The police say that, since 1968, several international terrorist organizations have established solid contacts in extremist circles in this country. They have thus been able to establish hiding places in different parts of France, and the wanted man is thought to have benefited from one of these links.

US embassy in Laos flies out 20 of staff

From Patrick Brogan

Washington, June 29

A commission set up by President Ford and Congress has recommended that the power of the President's National Security Adviser should be reduced and that the Central Intelligence Agency should be re-organized and renamed.

The report says that the next adviser should be forbidden to occupy any other Government post. The present incumbent is Dr Kissinger, the Secretary of State, and the report thus implies that he has taken too much power.

Members of the Commission on the Organization of the Government for the Conduct of Foreign Policy praised Dr Kissinger for his "extraordinary abilities". It suggested, however, that the making of American foreign policy was now centred through a number of agencies and ought to be better coordinated.

The commission was particularly concerned at the lack of economic planning and the lack of cooperation between departments. One recent example concerns the price of oil. The State Department wants a guarantee, and high price and the Treasury wants the price to be reduced.

It is recommended that the Secretary of the Treasury should be an ex officio member of the National Security Council and that a new and senior post of Assistant to the President for International Economic Affairs should be created. He would take part in the work of the NSC and other bodies and officials would try to bring national and international economic policy into line.

The report considers the many disagreements between the State and Defence departments and recommends a greater role for the State Department in defence matters, and a greater control over the defence budget.

The State Department's role in international economic policy should be increased by appointing more economists as ambassadors, and moving the President's special representative for trade negotiations into the State Department.

Screaming women fight to be heard at conference

Mexico City, June 29

Delegates to the International Women's Year (IWY) conference sought agreement yesterday on a proposed 10-year plan of action after disorderly panel session in which screaming women grappled for a microphone and Latin American representatives denounced "Yankee imperialism".

Women, against the clock, members of a draft committee went into overtime meetings to try to revise the introductory section to the plan, which aims to improve women's status throughout the world before the closing session.

Some 900 proposed amendments to the plan would probably be scrapped because of the time element, and the plan accepted as it stood with only minor changes, a United Nations spokeswoman said.

Thai leader flies to Peking to forge links

From Bruce Palling

Bangkok, June 29

Mr Kukrit Pramo, the Prime Minister of Thailand, left today to open diplomatic relations with China. His delegation of 39 includes a Major-General Chatchai Choonhavan, the Foreign Minister. They will stop in Hanoi and fly to Peking tomorrow.

Before leaving Bangkok airport, Mr Kukrit said that from now on, Thailand would recognize only one China.

Admiral Ma Chieh-chang, the Taiwan Ambassador, had left the airport yesterday for Taipei. He told members of the Chinese community in Thailand that he hoped to come back "when the timing is right".

The Thai delegation is expected to establish formal diplomatic relations with Peking either on Thursday or Friday and return to Thailand at the weekend.

Israel Cabinet discusses American ultimatum

Continued from page 1

consideration." After the newspaper leak in Israel, a State Department spokesman in Washington said the leak had been "deliberate and an unfriendly act."

Dr Kissinger in a speech last week emphasized that America was looking after all its interests in the Middle East (the word "all" was underlined in the text) and spoke with emphasis of the importance of the 150 million Arabs living in the region.

Moshe Brilliant writes from Tel Aviv: The Cabinet discussed in Jerusalem today a message from President Ford. The Israeli press said it was an ultimatum to Israel to agree to a withdrawal from the strategic mountain passes in Sinai or face a showdown with Washington.

Mr Rabin, the Prime Minister, was said to believe strongly that real control of the eastern end of the Sinai and Giddi passes was vital for security.

The proposal to withdraw, submitted through the United States, had been for the division of the 20-mile stretch roughly in half with the western end placed under the control of the United Nations, and the eastern end under Israeli control.

The Israeli press said that the proposal, but it left some obvious scope for compromise.

Mr Begin, the Likud Opposition leader, said after conferring with the Prime Minister today: "There is pressure from the United States Administration for us to accept Egyptian dictation regarding a retreat also from the eastern end of the passes."

He urged the Prime Minister to stand up to President Ford and carry the fight to the American people.

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Continued from page 1

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He urged the Prime Minister to stand up to President Ford and carry the fight to the American people.

The newspaper *Matzevot* today warned the Rabin Government that if it allowed Washington to decide where Israel must retreat, and when and under what circumstances, it would have renounced its sovereignty.

A statement by Mr Peres, the Defence Minister, describing the passes as Israel's "anchor in Sinai" and stating that Israel would have no defence line without them, appeared today in *Haaretz* and *Maariv*. It was reported to have been quoted in newspapers abroad as a rejection of the American ultimatum.

A source in the Defence Minister's office said the statement had been made more than a week before President Ford's message.

Two British soldiers die in German fire

Brunswick, June 29

Two soldiers were killed and a third injured in a fire at British army barracks at Wolfenbüttel, near Brunswick, in West Germany, a British Army spokesman said today.

The fire broke out on Friday night when the three soldiers were in bed. Its cause was not known. The Army is to launch an investigation.

The two dead soldiers were identified as Christopher Mac-

RSEAS Your Minister quits Señora Perón wage increases

Minister of Labour, who is located in the Argentine Embassy in London, has resigned from the Government today. Señora Perón, the President's wife, had approved a 10 per cent increase in wages for public employees. In the present circumstances a wage increase also appears logical. For some time the workers have been losing confidence in their employers. They have demonstrated their discontent in the past few months by becoming increasingly militant and staging a series of strikes which have brought them closer to Marxist and Peronist guerrillas. This leftward process was emphasized this year, first during a 61-day strike by metal workers in Villa Constitución, which was widely believed to have been sustained partly by funds from the Marxist People's Revolutionary Army. The trend was again emphasized on Friday when the Montoneros Peronist Guerrillas joined workers in the Plaza de Mayo.

For many unions, but not all, the authorized immediate pay rise of 50 per cent is less than half the increase already negotiated with employers after the strike. This month by Señor Celestino Rodríguez, the new Minister of the Economy. The austerity programme involved the biggest devaluation of the peso ever and price increases of more than 100 per cent for almost everything except food. In international terms, food still is cheap in Argentina.

Politically Señora Perón's speech gives no satisfaction to these workers, politicians and members of the armed forces who are not just preoccupied with the sharp rise in the cost of living, but with the accumulated power of Señor López Rega, whom they associate with the economic plan and consider to be the *duemne* of the President.

Union leaders may therefore count on support if they do adopt a strong attitude, both in the Congress and broad sectors of the military.



he Brazilian football star, giving
n Ford a lesson at the weekend.

ged Nazi tained freed

Aires, June 29.—Ario Olmo, a convicted, alleged by Dr. Perón, director of the Argentine newspaper *La Prensa*, was today released from prison after being detained for an identity check.

Olmo is purchasing a car from Argentina, a company of the West German electrical company yesterday, a spokesman said. He was released after a criminal record.

It said the Government was considering bringing charges against the publishers and editors of several publications which reported a press conference "somewhere in Buenos Aires" at which the Montoneros explained the conditions they had set for release of the brothers—Agencia France-Press.

h to establish museum ilitary treasures

Defence Correspondent of Iran, after trying to secure the country's heavy investment in equipment, is now endeavouring to establish a museum of Tehran, headed by a group of military experts. The Emperor has been commissioned a large building for military treasures amid the centre of the city. The Iranian Army Museum

Management who paid ransom held

Buenos Aires, June 28.—The Argentine Government has ordered the arrest of the entire management of the Bunge and Born financial firm, for having paid ransom to the left-wing guerrillas. Montoneros organization, the newspaper *La Prensa* has reported.

Earlier reports said three of the firm's treasurers had been arrested under the state of siege provisions in connection with the \$60m (£27m) Bunge and Born paid to the Montoneros for the release of Jorge and Juan Borge, sons of the company's chairman, kidnapped last September and recently freed.

The chairman, Señor Jorge Borge, and his deputy, Señor Mario Hirsch, are abroad, *La Prensa* reported. It said the Government was considering bringing charges against the publishers and editors of several publications which reported a press conference "somewhere in Buenos Aires" at which the Montoneros explained the conditions they had set for release of the brothers—Agencia France-Press.

Secretarial and General Appointments also on pages 18 and 21

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SECRETARY FOR CHARLEY. We have a great

Lord Rothschild on the economic lessons for today of the German hyper-inflation of 1923

The terrible year when money went mad

The German hyper-inflation which reached its peak, and ended, in November 1923 had three causes. There were: an underlying inflation, of a kind now familiar to us, produced by a number of inflationary pressures which developed in the German economy from 1914 onwards; a financial policy not unjustly described by the British Ambassador of the day as "lunatic"; and, after 1919, the severe political problems suffered by the new German Republic which faced tough opposition throughout from business and financial interests, nationalists, and communists who could view with equanimity the collapse of the constitution.

The most important of the underlying inflationary pressures was the method used to finance the war. In August 1914, Germany had a strong, gold-based currency subject in the previous period to virtually no inflation. Faced by an effective Allied blockade which almost destroyed Germany's extensive foreign trade, and by the need to direct large sections of industry to war production (which provides employment but no wealth), the war was financed by printing money; and by extensive internal "borrowing" — the intention being to make the defeated Allies pay after Christmas 1914, by when the war would obviously be over.

The result was that by the end of 1918, the amount of money in circulation was five times that of 1914; the unfunded indebtedness of the Reich was 35,000 million marks. The mark, worth 4.20 to the dollar in 1914, had dropped to 8.57 to the dollar by 1919; and prices inside Germany had in the same time doubled, in spite of various measures of control and rationing. This level of inflation by itself would obviously not necessarily have been disastrous. In 1919, however, various additional pressures were added.

First, of course, all kinds of consumer goods were very short and demand from returning troops was high. Similar pressures in Britain at the same time produced a burst of inflation at around 20 per cent, which was swiftly controlled by orthodox deflationary measures. To be successful, however, Germany, however, had different problems. The new social democratic republic relied on trade union support, and felt itself under an obligation to carry through various measures, somewhat reminiscent of the Labour Government's Social Contract, to meet the demands of trade unions.

In political terms, the new government inherited a situation of near anarchy with violent strikes, a communist insurrection in Berlin, a Soviet republic declared in Bavaria; civil war had virtually begun. Its desire to retain the support of the unions is therefore understandable. This support was secured by social programmes, pensions and benefits which were very large for the time; rent control, and a capital gains tax among other measures. The expenditure was covered by further deficit financing. The result was that between November, 1918, and July, 1919, the government deficit increased by 50 per cent, the dollar rate doubled, and internal prices rose by 42 per cent. (One dollar then equaled 14 marks.)

The final pressure came from the double engine of foreign trade and reparations. After the blockade, Germany naturally needed huge imports of raw materials and manufactured goods to try to get her industry on to a peaceful footing. But it was assumed that the French and British would press for very large cash reparations; these were not, however, settled by the Treaty of Versailles in 1919 but by a commission which did not report until the spring of 1921. Thus there were serious and unquantifiable doubts over the value of the mark at this crucial period. With this was combined the loss of several important industrial areas under the treaty, in particular the mining and industrial basin of Upper Silesia.

The net result was that the mark began to slide seriously on the foreign exchange markets

Lord Rothschild, former Director General of the Central Policy Review Staff in the Cabinet Office, analyses the three major causes of the inflation that brought Germany to its knees.

until, in February 1920, the rate reached 100 marks to the dollar. Internal prices did not at first march in step. The cost of living index in February 1920 was 8.47 (1914=1). Even by 1920, however, the battle was not yet lost. Controls on the flight of capital and on foreign exchange dealings, and a burst of political confidence after the failure of a nationalist putsch (the Kapp putsch), brought the dollar rate back to 40: a formidable finance minister, Erzberger, began to tackle the deficit by fiscal improvements and new taxes (including a levy of up to 65 per cent on property values). The inevitable result of this attempt at deflation, however, was rising unemployment (from 1.9 per cent in March 1920 to 8 per cent in July 1920) as exports faced tougher foreign price competition. The government did not have the political strength to face the double challenge from business, who objected to the curtailment of their ability to get their capital out, and from unions who objected to the rising unemployment. The policy was abandoned, and from June to November 1921 the dollar rate rose from 70 to 270.

The beginning of actual cash reparations payments in August 1921 assisted this decline. The London Ultimatum of May 1921 had demanded 132,000 gold marks (the gold mark was the 1914 mark), plus 26 per cent of the value of Germany's exports. One thousand million of this was paid in August and obviously the acquisition of the necessary means of payment pressed the mark. Other such payments were supposed to be made over a 42-year period. Further payments were made in November 1921, by which time the German government proposed to be succeeded by Poincaré, who represented a much more aggressive line in French policy and, equally serious, the timely respect of German Foreign Minister, Walter Rathenau, who represented a policy of conciliation between Germany and the allies, was assassinated by right wingers in June, 1922. At his death, the tide of the mark began to turn. By August, 1922, the dollar rate had risen to 320 just before the murder to 353 immediately afterwards, and to 1,426 by August. Meanwhile, French policy culminated in the occupation of the Ruhr by French and Belgian troops in January, 1923, on the grounds that 125,000 telegraph poles and a quantity of coal had not been delivered under reparation agreements. This was greeted with fury in Germany, which took the form of passive non-cooperation in the Ruhr area; those made unemployed by this were paid benefits financed by increased deficits from the Treasury. The dollar reached 18,000 marks in January, 1923; by September it was 100m.

The formidable inflationary pressures, compounded by the very powerful forces which were ranged on the side of the inflation. These were: Nationalism. Keeping the inflation going enabled right and left to magnify the importance of reparations and put the blame for all of them on the Allies. It also made it impossible to pay reparations in any significant amount after the first payment. The French claimed to believe that the whole thing was engineered for this reason: certainly nationalists in Germany welcomed swelling the French as a side effect. Inflation profiteering. Enormous international conglomerate companies were built up by skilful financial operators like Hugo Stinnes, who took advantage of the unlimited credit that the German financial authorities

made available. A very large number of new inflation-based companies engaged in these highly lucrative operations; any company engaged in foreign trade, which could get its hands on foreign currency, obviously was in a position to make immense fortunes by speculating against the mark. Many of these businessmen then professed nationalism and supported policies which further undermined the Republic and the mark and kept the inflation going. Agriculturalists also made immense fortunes. Financial institutions found it impossible, under these pressures, to maintain traditional "gentlemen's agreement" rules on speculation, eg in foreign currency. In addition, traders, middle-men and agents profited from inflation and they, more than other groups, aroused the hatred of the fixed income middle classes. The German equivalent of the CBI developed a coherent argument which was deployed constantly, that inflation was good for exports, attracting foreign visitors, and for stimulating domestic demand.

The main effects of the very rapid inflation of 1922 and 1923 were as follows:

- (a) The annihilation of the fixed income middle class, who became "proletarianized" and embittered. They were subsequently an easy prey for the Nazis when the latter became a serious force during the crucial and opposite, economic crisis, the Great Depression. This annihilation had obvious and permanent effects on traditional culture, social stability and institutions continuity — quite apart from the actual hardship concerned.
- (b) The creation of a new class of inflation profiteers who were those who first rid themselves of money illusion and availed themselves of as much credit as they could lay hands on. Such people naturally became hated by those in the class mentioned above.
- (c) A massive flight into real goods of any kind, though not agricultural land, owners of which were on the whole too stupid to sell and made huge fortunes from inflated prices.
- (d) An investment boom. This was partly the corporate equivalent of the flight into real goods, but was stimulated in addition by a desire to get rid of profits which sounded large in terms of money and, in fact, velocity increased with the printing of money which no one wanted to hold. The result was that by the end of 1923 only 3 per cent of government expenditure was covered by taxes and other income (which was usually worthless by the time it was collected).

Something has been said already about the enormous political difficulties facing the Republic. These took the form of constant right-wing and communist pressure, which had to be countered by a full employment policy to keep the unions sweet. After the initial jump following the Erzberger deflation there was negligible unemployment throughout the rest of the period. In April-September, 1922 unemployment was 1 per cent and reached only 2.8 per cent at the end of the year. Unemployment only rose fast in the very final phase when, for the first time, internal prices caught up with external prices and then overtook them, as shown by the developed because of the difficulty of actually paying for the goods. At this point the exported boom ended suddenly and unemployment rose rapidly to 6 per cent in August and then to 23 per cent in November, 1923. The money that had virtually come to a halt and only barrier transactions were taking place.

The need for full employment severely limited the government's ability, in its view, to carry out the sort of deflation which had restored stability in Britain but these difficulties were compounded by the very powerful forces which were ranged on the side of the inflation. These were:

1916 12,315 million
1917 18,458 million
1918 33,106 million
1919 50,173 million
1920 81,623 million
1921 122,963 million
1922 1,295,000 million
1923 October 2.5 trillion
1923 November 93 trillion
1923 December 496.5 trillion

This was done because financial opinion claimed to believe that the cause of the depreciation of the mark was foreign difficulties, and that there was no point in limiting money at home until the foreign causes had been removed. The economic, financial and industrial establishment in Germany was almost unanimous about this, and it was supported by nearly all the newspapers.

The leading economist of the day, Helfferich, spoke for moderate opinion when he wrote: "To follow the 'good' counsel of stopping the printing of money would mean — as long as the causes which are upsetting the German exchange continue to operate — refusing to economic life the circulating medium necessary for transactions, payment of salaries and wages. All national and economic life would be stopped."

Academic orthodoxy argued that any limitation of the note issue would only increase the velocity of money. In fact, velocity increased with the printing of money which no one wanted to hold. The result was that by the end of 1923 only 3 per cent of government expenditure was covered by taxes and other income (which was usually worthless by the time it was collected).

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Something has been said already about the enormous political difficulties facing the Republic. These took the form of constant right-wing and communist pressure, which had to be countered by a full employment policy to keep the unions sweet. After the initial jump following the Erzberger deflation there was negligible unemployment throughout the rest of the period. In April-September, 1922 unemployment was 1 per cent and reached only 2.8 per cent at the end of the year. Unemployment only rose fast in the very final phase when, for the first time, internal prices caught up with external prices and then overtook them, as shown by the developed because of the difficulty of actually paying for the goods. At this point the exported boom ended suddenly and unemployment rose rapidly to 6 per cent in August and then to 23 per cent in November, 1923. The money that had virtually come to a halt and only barrier transactions were taking place.

The main effects of the very rapid inflation of 1922 and 1923 were as follows:

- (a) The annihilation of the fixed income middle class, who became "proletarianized" and embittered. They were subsequently an easy prey for the Nazis when the latter became a serious force during the crucial and opposite, economic crisis, the Great Depression. This annihilation had obvious and permanent effects on traditional culture, social stability and institutions continuity — quite apart from the actual hardship concerned.
- (b) The creation of a new class of inflation profiteers who were those who first rid themselves of money illusion and availed themselves of as much credit as they could lay hands on. Such people naturally became hated by those in the class mentioned above.
- (c) A massive flight into real goods of any kind, though not agricultural land, owners of which were on the whole too stupid to sell and made huge fortunes from inflated prices.
- (d) An investment boom. This was partly the corporate equivalent of the flight into real goods, but was stimulated in addition by a desire to get rid of profits which sounded large in terms of money and, in fact, velocity increased with the printing of money which no one wanted to hold. The result was that by the end of 1923 only 3 per cent of government expenditure was covered by taxes and other income (which was usually worthless by the time it was collected).

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The need for full employment severely limited the government's ability, in its view, to carry out the sort of deflation which had restored stability in Britain but these difficulties were compounded by the very powerful forces which were ranged on the side of the inflation. These were:

1916 12,315 million
1917 18,458 million
1918 33,106 million
1919 50,173 million
1920 81,623 million
1921 122,963 million
1922 1,295,000 million
1923 October 2.5 trillion
1923 November 93 trillion
1923 December 496.5 trillion

This was done because financial opinion claimed to believe that the cause of the depreciation of the mark was foreign difficulties, and that there was no point in limiting money at home until the foreign causes had been removed. The economic, financial and industrial establishment in Germany was almost unanimous about this, and it was supported by nearly all the newspapers.

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Germany 1923: crowds queue in the snow for the issue of the new mark.

Photographs: Radio Times Hulton Picture Library

effect was to narrow differentials as all wages fell towards subsistence levels.

- (a) The nationalized industries were not allowed to raise their prices until near the end; for instance the railways were only allowed to increase their prices in August 1923. This had familiar results.
- (b) The bankruptcy of urban landlords whose tenants benefited from rent control. The tenants, by subletting, did well; but these tenants were usually middle class people, cruelly expropriated by inflation; subletting was only a small compensation for their pauperization.
- (c) A rapidly rising crime rate. Theft of "real goods" was widespread. Prostitution of every sort rose dramatically as people of both sexes availed themselves of their one inalienable "real good". The crime rate fell again after 1923.

1913 1921 1923 1924 1925

| | | | | | |
|-----------------|-----|-----|-----|-----|-----|
| Total | 117 | 136 | 170 | 150 | 122 |
| Crime: 1882=100 | | | | | |

One surprising result was that homicide and violent crime dropped and increased after 1923. It is suggested that the scarcity of alcohol may be connected with this.

- (a) An art boom,

Property advice nationwide

Strutt and Parker
Solicitors and Conveyancers
200, Strand, London WC2R 1JH

Whitehall wages now put at 1,000m above April forecast

Price Corina
The Treasury's latest
estimate of the cost of
the current financial
year is £13,000m, a
rise of £2,000m on the
£11,000m forecast in
April.

The public departments are
the preparation of
penditure forecasts both
city more precisely re-
costs of the Treasury's
priorities for capital pro-
s, some of which will
or rolled back to future

the substantial increase
uneration of civil and
public servants that
the Chancellor's de-
aim of reducing the
y borrowing require-
1975-76 from £10,000m
00m, with a further
reduction next year.

One major problem for the
Chancellor is finding economies
which do not fundamentally
undermine the strategy of the
last White Paper on public
spending, which was to channel
a high level of resources into
areas where there is an invest-
ment gain for industry.

The plan of borrowing and
because of mounting resistance
to higher prices (now upping
demand forecasting), is again
disrupting forecasts of levels of
self-financing for capital pro-
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These levels are vital in cal-
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the last one was delayed,
appearing at the end of
January.

It is understood that the
Chancellor, who was seeking
reductions in spending for
1975-76, has the benefit of this
review of priorities in bringing
forward a package of measures
before the parliamentary
summer recess.

Some cuts in industrial
programmes seem inevitable.
For example, state financed
capital spending by the Post
Office on telecommunications
may be drastically amended.

It has been possible to cut
back on power station orders.
Some pruning of research and
development seems on the
cards.

In the social field, new limits
are being suggested for sup-
port given to local authorities,
to be agreed by the Treasury's
new consultative council on
local government finance.

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Mrs Shirley Williams: Told of need for higher margins.

Food groups offer 'excess profit' deal to ministers

By Hugh Clayton
Food processors have told
ministers that if their profit
margins more than double next
year, they will be ready to sur-
render the excess to the Govern-
ment. They say that a doubling
of margins will do little more
than bring their companies into
line with the rest of manufactur-
ing industry.

The proposal comes after the
disclosure by Mrs Shirley
Williams, Secretary of State for
Prices and Consumer Protec-
tion, at a meeting of the TUC-
Labour Party Liaison Committee,
that two food companies had
told her that they would go out
of business if their margins were
not raised.

Surrender of excess profits
has been included in a submis-
sion to Mrs Williams and Mr
Peart, Minister of Agriculture,
from the Food and Drink Indus-
try Council. The processors have
also offered to move to-
wards increased participation by
workers in company policies in
return for an end to present
price controls when the counter-
inflation laws expire early next
year.

Although the industry stands
firmly in public for abolition of
state intervention and a return
to the free market, it accepts
that controls will continue. Of-
ficials of the council would not
comment about the submission
beyond admitting that Mr Guy
Lawrence, its chairman, had
placed a revised version of his
"food charter" before the two
ministers.

In the original version, un-
veiled by Mr Lawrence in
April, it offered to take profits
no higher than necessary to
ensure a healthy industry if the
Government agreed to leave
food companies "unshackled".

Ministers have met leaders
of the council since, and it is
widely believed in Whitehall
that they have accepted the
industry's claim that there is an
urgent need to generate funds
for investment.

The council has told Mrs
Williams that the Price Code as
administered by the Price Com-
mission is leading to inefficien-
cies and unnecessary costs
which outweigh any savings it
brings. They have added that
the average gross margin for
food processors is barely more
than 3 per cent compared with
more than 5 per cent for the
rest of manufacturing industry.

Sovereignty issue in oil-sharing talks

By Roger Vielvoye
Energy Correspondent
The International Energy
Agency (IEA) must this week
face one of its most contro-
versial policy questions—the
amount of sovereignty that the
oil consuming nations are
prepared to surrender to the
organisation to make the emer-
gency oil sharing arrangements
really effective.

At issue at its Paris meeting
will be the level of power
available to the IEA if the
agreed mechanism for allowing
the international oil companies
to make voluntary distribu-
tion of available oil supplies
proves ineffective in operation.
Clearly if these procedures
worked out and agreed with
the oil companies are not work-
ing properly in an emergency,
new instructions will have to
be issued promptly. IEA mem-

bers must now decide whether
these powers should be dele-
gated to the agency or in-
trusted to the individual
governments at the governing
body's request.

Empowering the IEA to issue
specific instructions to the oil
companies would greatly extend
the authority of the agency and
involve a delegation of
sovereignty that may be un-
acceptable to a number of
members. However, the need
to act quickly in an emergency
to make the allocation scheme
successful is also apparent to
members.

The debate will be lengthy
and a decision at this stage
unlikely. Some countries may
prefer to wait until the IEA
and the oil companies have
completed a trial run of the
emergency procedures in the
autumn.

The major role of the oil com-

panies will play in voluntarily
allocating supplies has so far
kept the question of individual
sovereignty out of the IEA
debates. Principal concessions
have come from the United
States with a pledge of immunity
from anti-trust legislation for
American companies taking part
in the sharing plans.

In the first stage of these
arrangements the international
companies will share out their
available supplies on an equi-
table basis among their various
subsidiaries.

If this does not provide a
balanced distribution, oil can be
traded between various com-
panies. No mechanism exists for
fixing prices for these trans-
actions, although prices would
be extremely volatile during
another emergency.

While the IEA has quietly
enlisted the oil companies as the
mainstays of the scheme, the
first nine months of the agency's
life have been overshadowed by
the issues of its relationships
with the oil producers and the
debate over implementation of a
minimum price for oil imports.

Enthusiasms for a floor price
is waning among agency
members. The July 1 deadline
for fixing it is expected to be
met by a compromise that will
keep the principle of a minimum
price in being but avoid any
specific decisions on the estab-
lishment of a date for raising
emergency stocks of oil from the
equivalent of 60 days' consump-
tion to 90 days.

Pressure on consumer gov-
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Egypt sets conditions for waiving boycott

By Derek Harris
Egypt is soon to put into
effect a new policy for foreign
companies which have been
placed on the Arab League's
boycott list because of their
trade with Israel.

The basis of this policy would
be that the boycott would be
waived so long as a company's
involvement in Egypt was capital-
ist, and not a result of any
current Israeli operation.

This could explain why Ford
of America has recently re-
opened discussions with Egypt
on the setting up of a large
operation there.

Surrender of excess profits
has been included in a submis-
sion to Mrs Williams and Mr
Peart, Minister of Agriculture,
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ago. If Ford decided to put up
concrete proposals to Egypt and
the plan went ahead, it is ex-
pected that the new operation
would involve the Alexandria
sit.

The first foreign motor deal
in Egypt is still expected to be
the British Leyland plan to set
up, at an initial cost of £5m,
an assembly operation for Land
Rovers and later trucks.

Supplies of a number of com-
ponents, restricted at first to
tyres and batteries, would be
expected to grow progressively
until a complete production
unit was established.

British Leyland, which has
been on the Arab boycott list
because of earlier Israeli in-
volvement, will have the boy-
cott waived as soon as the
Egyptian deal is signed. The
Egyptians say only routine pro-
cedural details now have to be
settled before signing.

But the plan may now be
sited in the new customs-free
zone around Port Said, which
becomes operational in a few
days, rather than in the new
industrial city of Helwan, near
Cairo. Another likely candidate
for the plant is the Sidi Barrani
plant being discussed with
Honda, the Japanese manu-
facturers.

Mr Healey, the Chancellor, is
known to feel that this freer
access could be used to encour-
age both sides of industry to
adopt the French practice of
joint ventures, which the
Government on the assumptions
which should be used for
forward planning.

The Government's response
will be made known in a
Treasury paper.

Motor industry to get a code of practice

By Business News Staff
Members of the Society of
Motor Manufacturers and
Traders have accepted in prin-
ciple the need for a code of
practice for the motor industry.
The SMMT is to prepare a
draft code for discussion with
the Government's Office of Fair
Trading.

Proposals for such a code
were submitted by the Office of
Fair Trading to the SMMT in
March. These included new
standards for the sale of new
and used vehicles, repairs and
servicing, and suggestions on
training for dealing with
consumer complaints.

The Society has told the
Office that it will now work
on detailed proposals for the
formation and financing of an
industry-wide conciliation and
arbitration scheme. This will
deal with the more intractable
complaints which cannot be re-
solved directly between the two
parties concerned.

In developing this scheme,
the SMMT will discuss propo-
sals with the Motor Agents'
Association.

On the subject of perfor-
mance claims made by car
manufacturers, the Society adds
the Office of Fair Trading are
continuing discussions aimed at
making miles per gallon
claims more readily comparable.

The Society admits that there
is a need for advertised prices
of cars and non-optional extras
to be presented clearly by all
manufacturers so that the cus-
tomer can make valid compar-
isons between different models.

Proposed by the Office of
Fair Trading concerning pre-
delivery inspection and the ex-
tension of warranty periods be-
yond the expiry date when per-
sistent and recurring faults
have been reported are to be
"under review".

latest figures issued by the
Society of Motor Manufacturers
and Traders today.

The figures show that exports
of motor industry products
reached a new peak in May. At
£254m they were more than
50 per cent up on May last
year, although imports rose 42
per cent to £94m.

Car export figures are not so
encouraging, the SMMT says.
Although the value of exports
exceeded imports by more than
£4m, at £48.4m, this was only
20 per cent higher than in May
last year, while imports were
50 per cent higher at £44.2m.

The strength of the motor
industry remains in commercial
vehicles and components, and
parts and accessories, the
society adds. Export values of
components, parts and acces-
sories "handily exceeds the
combined value of exports of
all vehicles", it adds.

Earnings from commercial
vehicle exports increased by 65
per cent to £43m during May,
while imports rose only 7 per
cent to £8m. The value of com-
ponents, parts and accessories
exported was £109m with
imports of similar equipment
totalling £32m.

For the five month period
ended May, total exports were
43 per cent higher at £1,034m
while imports were 41 per cent
up at £488m.

Chrysler prices up: Chrysler
UK is increasing the prices of
its cars and commercial vehicles
by an average 5.5 per cent from
tomorrow. In the last month
British Leyland has put up
prices by 4.8 per cent and on
Friday Vauxhall announced a
5.5 per cent rise. Ford is
expected to complete the round
in the next few days, but is only
expected to raise prices by
about 2.5 per cent.

Cement chief questions prescribed standards

By Kenneth Owen
Technology Correspondent
Prescribed standards of con-
struction are not always
attained in practice, because of
poor workmanship and inade-
quate supervision on site and
in the factory, according to Mr
Leo Russell, director-general of
the Cement and Concrete
Association.

Failures of high-alumina
cement roof beams are a clear
example of this weakness in
the system, he adds.

Introducing the association's
annual report for 1974, Mr
Russell suggests that code com-
mittees have been too ready to
assume that what is theoretic-
ally practicable will always be
achieved.

"Perhaps some of our stan-
dards and codes need to be
revised", he says, "to take
more fully into account the
possibilities of error and mis-
use which may be more pre-
valent in modern conditions
than generally recognized".

Referring to failures of pre-
stressed roof beams made with
high-alumina cement, the direc-
tor-general comments that the
limitations of this type of
cement were well known to
research establishments and
professional institutions many
years ago, and the codes and
regulations were drawn up on
the assumption that the
material could safely be used
provided certain precautions
were taken. However, failures
have occurred suddenly, show-
ing that these precautions have
not always been taken.

Even with Portland cement,
a completely different material,
Mr Russell indicates, it may
be necessary to encourage the
use of construction methods
which are less likely to be
affected by the quality of the
workmanship employed, unless
the standards of supervision and
workmanship can be improved.

There is a need for more
research on the basic properties
of concrete, on the factors
which affect durability and on
methods of construction, he
continues.

The association would wel-
come any assistance from
government research establish-
ments on this, but the recent
adoption of Rothschild prin-
ciples appeared to have restric-
ted their freedom to do such
basic work.

any bidding expected for 1,000 ounces of US gold

on, June 29—America
tomorrow a small
of its 275m ounces of
bankers, dealers and
ordinary citizens.

Each successful bidder will
pay the lowest bid-price. If the
Treasury decides to accept all
bids of \$160 an ounce or higher,
the successful bidders will pay
that price regardless of the
value of their bids.

Mr Jack Bennett, Under-
Secretary for Monetary Affairs
at the Treasury, has said he
thought the Dutch auction
method would result in higher
bids. Buyers would know they
even if they bid high they
would still be able to buy at
the lowest accepted price.

But dealers and bankers have
been quick to point out that
other factors may tend to keep
the bids low. A common predic-
tion is that the accepted price
will be somewhat below the free
market price of \$163-\$165.

for the Treasury, will use the
so-called "Dutch auction"
method when it begins opening
bids at 11 am (15.00 GMT) for
the 1,000 ounces on offer.

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Decision on Scottish steel development likely soon

By Peter Hill
The decisions on the
British Steel Corporation's de-
velopment strategy for its Scottish
plants are likely to be revealed
before the end of the current
Parliamentary session.

Lord Bewick, Minister of
State for Industry, is pushing
the final touches to his review
of the corporation's develop-
ment programme for Scotland.
Plant closures in Scotland
form the second part of the
study commissioned over a year
ago by Mr Wedgwood Benn, the
former Secretary of State for
Industry, into the corporation's
closure programme. Under this
programme, many outdated
plants are to be phased out, and
production concentrated at a
few sites.

It appears that the Depart-
ment of Industry is working to
complete the review by the end
of July. Clearly there will be
pressure, particularly from the
Scottish unions, for an early
statement of the outcome.

Scottish steelworkers have
fiercely contested the BSC's
closure programme. If the rational-
ization went ahead, it would
result in 2,500 lost jobs in Scot-
land.

Earlier this year, in the first
phase of the review which
covered plants in England and
Wales, the threatened loss of
13,500 workers was reviewed
by the Government for between
two and four years.

Treasury data access

By Malcolm Brown
A government reply to
demands from industry and
union leaders for more open-
ness by the Treasury on fore-
casts and other critical econo-
mic data is expected on
Wednesday.

It is believed that the
Government will offer to let
business and industry have
access to a confidential list of
British industries and the Trade
Union Congress have much
better access to such informa-
tion.

Mr Healey, the Chancellor, is
known to feel that this freer
access could be used to encour-
age both sides of industry to
adopt the French practice of
joint ventures, which the
Government on the assumptions
which should be used for
forward planning.

The Government's response
will be made known in a
Treasury paper.

The plan from employers and
union leaders is a highly
critical joint paper drawn up
by the TUC and the CBI on the
role of the National Economic
Development Council.

Ford may switch Halewood Capris to German plant

Ford is considering shifting
Halewood production of the
Capri to West Germany, a com-
pany spokesman said at the
weekend.

He said unions and admini-
strative staff at Halewood, near
Liverpool had been told that
the proposal was in a feasibility
study under review by manage-
ment.

If Capri production was
shifted to Germany, the spokes-
man said, it would be to the
Cologne plant. Another switch
could be to Ford's Dagenham
plant. The shift would allow
the Halewood plant to step up
its production of Escorts.

On other pages
Business appointments 18
Appointments vacant 18
Financial Editor 17
Letters 17
Diary 17
Management 16
Financial news 18, 19
Market reports 19
Share prices 20
Bank Base Rates Table 19
Company Meeting Reports: 17
Memoranda Manufacturing 15
Transparent Paper 17
WCI 17
Interim Statements: 15
Blundell-Permoglaze 15
Holdings 15
Greenfield Millers 16
Company Notice: 16
Alexander Howden Group 16

INTERIM STATEMENT

Blundell-Permoglaze Interim Statement (Unaudited)

Extract from the report issued by
N. G. Bassett Smith, Chairman

| | Half year | Full year |
|--|-------------|-------------|
| Sales (excluding Blundell Eomke Paints Ltd.) | 30,475 £ | 30,474 £ |
| | 4,811,048 | 3,575,633 |
| | 8,227,331 | |
| Net profit before tax | 272,013 | 473,455 |
| Net profit attributable to Group | 125,539 | 214,759 |
| | 406,294 | |

- Unchanged interim dividend of 0.67p per share.
- Industrial Division increased business in higher margin lines, with consequent improvement in profit margin.
- Decorative Division's volume sales retained.
- Export sales grew especially in Middle East.
- With improved profits anticipated in second half of year, Group will perform well in all the circumstances.
- Arrangements well advanced for £1 million loan from FCI to finance Hull factory expansion.

Blundell-Permoglaze Holdings Ltd.,
York House, 37 Queen Square,
London WC1N 3BL.

Transparent Paper Limited EARNINGS REACH NEW PEAK

acts from Mr. J. F. E. Smith's Statement
RESULTS AGAIN A RECORD
Results are again a record for the Company and are a
credit to all who work for Transparent Paper. There
has been a swift change to a buyers' market in the last quarter
and manufacturing costs, still increasing, a situation
which is likely to continue for some time. The prosperity
of the Company must to a large extent, therefore,
depend on containing these costs. Exports are on a
big trend, and will be further increased during the
next year.

FITIAL EXPENDITURE PROGRAMME
The re-equipment and modernisation programme is
set in the capital expenditure of £1,483,000 during
the year. Outstanding commitments for 1975/76 are
£205,000. The new services building at Bury
has been finished. The modernisation of the Converting
Division is largely complete and the plant is now fully
equipped with the finest machinery of its kind for the
making of a wide range of extensible films in
various thicknesses. The Company's own manufacturing
film manufacturing Division is now casting machine
film. A new coating tower will come on stream during the
year. The Company is therefore strongly
positioned to take advantage of any improvement in the
economic climate.

Principal Activities
The Company manufactures and
markets transparent cellulose
and plastic film. The products are
used in particular as immediate
packings by the confectionery,
bakery and snack food
industries, and for textiles and phar-
maceuticals, together with many
other uses.

Management

Reluctance to make room at the top for women

There was no publishers' cocktail party, no literary luncheon and no signing of covers for Audrey Hunt last week. Nevertheless, her latest effort will be a classic of management literature, her second, for years to come.

This is *Management Attitudes and Practices towards Women at Work*, an employment policy survey carried out for the Department of Employment by Mrs Hunt with the help of Doris Evans, both of whom are from the Social Survey Division of the Office of Population Censuses and Surveys.

Despite the deadpan presentation, this is a deeply disturbing report. It shows that managers are far behind the tide of opinion in this country, and that vast changes will have to be made in managers' employment policies to come into line with impending non-party legislation.

It will increase pressure on the Government from trade unions, women's organizations and from the Department of Employment itself for a stringent watch upon compliance with the Equal Pay Act, and with the provisions of the Sex Discrimination Act covering equal treatment of women in regard to hiring, training and promotion, both of which come into force in December.

Mrs Hunt's survey, which covered establishments from steelworks to symphony orchestras, established for the first time with clarity and verve, what everybody so far has merely suspected:

● Only a quarter of the formulae of personnel policy and only a third of implementers in favour of the three basic tenets of equality at work—equal pay, more women in senior positions and more access to training.

● On equal pay, soon to be the law, the views of personnel policy formulists may be even less favourable than expressed.

● That most managers responsible for hiring operate not on observable fact but on a vague mish-mash of assumption and prejudice. Most begin with the belief that a woman is inferior to a man in any important quality of an applicant. This applies whether it is, like "personal appearance", something that commonsense indicates is as likely to be a male as a female attribute, or even in the face of something like O level passes, where known facts contradict the assumption.

● The establishment of equal opportunity for women was



Audrey Hunt: a call for vast changes in employment policies.

likely to be opposed, even though managers admitted that there was little to choose between male and female job performance and agreed that differences in capacity were at least as wide between individuals as between sexes.

● Finally, most managers thought the male working pattern was the norm, and if it did not suit women so much the worse for them. Any changes in women's working conditions, therefore, were likely to result from outside pressures—whether from trade unions or the government.

Among the people whose impressions appear to have been confirmed by this survey are members of the Institute of Personnel Management, who are "seriously concerned" at the number of women personnel managers confined to the recruitment and welfare of women.

In the case of the personnel managers, women have lost ground which had been gained a quarter of a century ago. Personnel work quickened with the appointment of women to look after women drafted into war industries. But as the activity developed pretensions to professional status, the number of men in the IPM soon outnumbered women. At one time, half the jobs advertised in the Institute's magazine specified men applicants only.

Mrs Hunt's survey is the first large-scale attempt to record manager's attitudes to women, now a fast-growing third of the workforce. Previous studies have concentrated on women's attitudes to work. The most solid of these is a 1968 study carried out for the Ministry of

Labour, again by Mrs Hunt and Mrs Evans.

The Confederation of British Industry, perhaps sensing the depths of members' antipathy to the large-scale employment of women in anything but humble capacities, has resolutely steered clear of these troubled waters.

A CBI working party has said that it, too, allows that differences in ability may vary at least as much between individuals as between sexes. Nevertheless, the CBI line has been that women are less employable or promotable than men because society is still male-orientated. Women are accordingly difficult to combine job and domestic responsibilities because of obstacles, such as inconvenient shop hours, placed in their way.

Thus, it is argued, until society—which apparently excludes employers—revises its attitudes it is unfair to expect employers to change theirs.

Their other standard work of reference on women's employment covered women's attitudes and established that women, particularly married women, were no less reliable employees than men.

This survey found that nearly two thirds of the female workforce was married, compared with less than a fifth before the war. It was commissioned by the Ministry of Labour after the 1965 National Plan had isolated married women as the only remaining reservoir of labour in a full employment economy.

Mrs Hunt found that one in two of married women was working, although only a third of those not working intended to return because of the difficulties thought to be in their way, particularly with child and home care.

Despite the great change in the composition of the female workforce, Mrs Hunt said that one thing remained the same—very few women were in top jobs, and few received training at work even when they would have liked to do so.

Mrs Hunt is working with the non-industrial Civil Service, the country's most progressive employer of women. Until she and her team came to do this latest survey, she could not have known just how prophetic were her remarks.

Management Attitudes and Practices towards Women at Work, by Audrey Hunt; HMSO, £5.
A Survey of Women's Employment, by Audrey Hunt; HMSO, £4.62p.

Ross Davies

Consultancy success of a multinational

Booz, Allen and Hamilton, the international management consultants who were formed as long ago as 1914 in Chicago (it was founder Ed Booz's great-grandfather, a Tennessee distiller, who is credited with introducing booze as a generic term into the American language) are decidedly glad a lot of their business is harvested by multinational companies.

Some management consultants, relying on smaller fry have inevitably suffered lately from companies parting down spending on some consultancy services.

Dr Gareth Jones, the Booz, Allen and Hamilton managing director in the United Kingdom—his doctorate is in psychology—thinks that tendency has been worsened in this country because underemployment at all levels can lead to management into feeling they can get done for themselves many of the services management consultants offer.

The multinational as a group, given to taking the long view about problems because they can more easily ride immediate economic difficulties, tend to keep their favourite consultants busy. Even so, Booz, Allen and Hamilton felt the draught last year in Britain, offset by what Dr Jones describes as a boom in the Middle East.

In the last five years, at the beginning of which the consultancy had its international headquarters in London with only one other foreign office, in Düsseldorf, Booz, Allen and Hamilton has opened branches in Paris—now the overseas headquarters—Brussels, Algeria, Brazil and Tokyo, among other places. There are nine branches in the United States.

It has a strong representation in Iran, particularly, with several London-based officers working there. Apparently, since the begin-

ning of this year the London office has seen an upturn in business. Dr Jones believes that present conditions also pose so many problems that companies, despite the instinct to economize, are being prompted to turn to consultants to play their traditional role in offering expertise with objectivity.

A frequent question now where corporate headquarters for Europe should be sited. One multinational already established in London wanted to know if it was worth moving, say, to Paris or Brussels.

The answer in their case turned out to be negative. Paris being the most expensive of the three options and Brussels, although cheaper in office-renting terms, costlier from the point of view of labour and general living.

For a company starting fresh in Europe, London would not necessarily have the edge on Brussels.

Dr Jones foresees possibilities for considerable growth in trade and investment both ways between North America and Britain. Although North American businessmen always appear most worried about labour problems in Britain, Dr Jones believes the main United Kingdom problem is getting rid of underemployment.

A policy of job creation in value-added occupations—should go hand in hand, he believes with improving productivity per man, at all levels. A 20 per cent increase in production would be possible if such a policy were successfully carried through.

He also criticizes the fragmented and undisciplined selling of Britain abroad. Dr Jones, Booz, Allen and Hamilton, with a world staff of 1,200 sees more expansion for itself, particularly with the growth of the multinationals and government-led industrialization in the third world.

First convention for BIM

The attempts by the British Institute of Management, with its highly active chairman of council, Sir Frederick Catherwood, to ensure that the authentic voice of management is adequately heard by the public is carried a step forward with the announcement that next March the first BIM national convention will be held at the Royal Festival Hall in London.

Some 2,500 managers will assemble to debate and vote on topics of national importance.

This will make it markedly different from the other big annual gathering of "bosses" that held by the Institute of Directors in November, which is an occasion for set-piece speeches rather than for debates.

The BIM convention seems likely to most clearly cater to the needs of the taxpayer, with the annual Trades Union Congress, at which the unions hammer out their policies, although, of course, the TUC gathering lasts for a week instead of a day.

Freight report

VLCC demand is highest for 9 months

Tanker rates continued to increase throughout last week as Very Large Crude Carrier (VLCC) premiums moved up 2.5 points (37 cents per ton) to Worldscale 25 (\$3.68 per ton) in the Persian Gulf to Europe trade.

There were suggestions that freight rates had been paid by an independent oil company, but brokers here could not confirm this.

The better levels reflected a week of consistently good demand and a period when owners stubbornly stood firm in the face of heavy pressure from charterers. Brokers Galbraith Wrightson commented that "the better tone now seems set to last well into July and possibly longer."

Last week VLCC demand was at its highest since October, with Exxon, Chevron, Petrofina, Golden Eagle (Ultramar) and Hidea all in the market at one time or another. But, although VLCCs commanded the widest interest, they fared relatively worse than the medium-sized tankers in the Persian Gulf. Premiums for others in the 80,000-100,000 ton range were probably the strongest in the market, rising a full 10 points (\$1.47) to Worldscale 55 (\$8.08).

There is a real possibility that rates will continue to improve this week. By last Friday, there were still a number of unfilled orders in the market and the flow of new business showed no signs of diminishing. What is hard to see, however, is a really significant increase in rates. VLCCs are now not far short of break-even levels, while the freights being paid to 80,000 tonners seem adequate to cover the costs of the voyage. Any further sustained gains, it is thought, would be bound to bring many tankers out of their lay-up berths, destroying the positive balance between supply and demand now being enjoyed by the ships currently active in the market.

So far the better rates have not attracted redundant tonnage, and the latest figures of E. A. Gibson, Shipbrokers, show that laid-up tonnage increased by almost four million tons to 35,816,165 tons last month. At the same time new building cancellations increased by just over a million tons to total 28,177,960 tons, while another 20 tankers totalling just over half-a-million tons were scrapped.

It is likely, however, that the rate of lay-up will now decelerate, and there could even be a decrease.

LETTERS TO THE EDITOR

Flaws in the road transport system

From Mr G. E. Newman, Sir: In case the euphoric article by Clifford Webb in *The Times* Business News (June 26) misleads your readers I would like to make the following comments.

Whatever Clifford Webb and the Freight Transport Association (which is an organization representing industrial and commercial users of transport, many of whom, perhaps unwittingly, operate road goods vehicles "on own account") may think, the RBC common transport policy which is evolving does not embody a revolutionary shift from near total regulation to almost complete freedom.

There is certainly a positive trend towards "liberalization" in current RBC Commission thinking, but it does not go nearly as far as your article seems to imply, nor is much of it supported by the "professional road haulage operators' associations" (including the Dutch of the original six member states).

The responsible majority of road hauliers in this country (who are not, as your article states, the envy of their continental colleagues) consider that the system of operators' licensing under the 1968 Transport Act (as amended by the Road Traffic Act of 1974) is in many important respects a failure, and they would no doubt welcome a system which:

(a) ensured that those entering the occupation had proved their good repute and fitness, with all that that implies to operate road goods vehicles safely, legally, with adequate financial resources and with a proper degree of professional competence;

(b) provided the means to achieve a reasonable balance between the supply of transport capacity and the demand for it, especially in times of economic recession; and

(c) regulated driving time, rest periods, use of tachographs and so on only to the extent necessary to ensure reasonable working conditions and road safety, without unjustified restrictions as the 450 km limitation (which all the EEC "professional" operators' associations, including my own, have for long been striving to have abolished) in Regulation 563 and the intrusive proposals in the so-called "second social regulation".

The Commission, Government and the RBC have

not been able to face economic realities. The continued large-scale subsidization of a wide range of goods and services is indefensible. In many cases it causes consumers to receive misleading information as to the value of the resources going into them. It is certainly a major reason for the high level of taxation which threatens to strangle our economy and the flood of money which threatens to swamp us.

Mrs Thatcher is right to want us to face the dangers we face, if we insist that the government protects us from any fall in living standards, by subsidizing commodities or services whose costs rise sharply. A time when trade union leaders are calling for yet more subsidization is scarcely right for arcane debates over the magnitude of subsidies. The problem is much too big and serious.

Our crisis will be resolved only if we accept an inevitable temporary cut in living standards. To seek to prevent this by falling for more subsidies, in our highly-taxed economy, merely guarantees further inflation.

Yours faithfully, MICHAEL SPICER, House of Commons.

Overtaxing Subsidies are no panacea

From Mr Michael Spicer, Conservative MP for Worcester and South:

Sir: Mr Clark's thoughtful letter (*Business News*, June 28) must not be allowed to leave the impression that large-scale subsidization is "positively desirable".

Mr Clark is right to point to the difficulties of pricing in transport, where public utilities have to compete with private sector operators who charge on the basis of short-run marginal cost. There is also strong theoretical support for his belief that prices should be related to long-run costs, though it is less clear that we can operate such a policy successfully.

But it would be dangerous to proceed from this to defend the total system of subsidies. First, it is difficult to regard the present financial position of the British transport system as satisfactory. High British Rail fares, a prospective deficit of £500m (or whatever it may be) this year, are more in need of rational suggestions for reducing subsidies to transport than of subtle arguments justifying the present position.

It is surely the second most serious point, with Mrs Thatcher's been attacking is the refusal of so many

of us in Britain to face economic realities. The continued large-scale subsidization of a wide range of goods and services is indefensible. In many cases it causes consumers to receive misleading information as to the value of the resources going into them. It is certainly a major reason for the high level of taxation which threatens to strangle our economy and the flood of money which threatens to swamp us.

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Yours faithfully, MICHAEL SPICER, House of Commons.

Suppose therefore that the taxpayer challenges an assessment of £1,000 through the Courts, wins successive appeals but is ultimately defeated by the Revenue in the House of Lords. The process of these appeals will doubtless last some five years, at the end of which period the interest will approach £500. Assume that the taxpayer prudently placed £1,000 on deposit with his bank when he first appealed, and that he pays basic rate income tax.

Then at the end of the litigation the interest he has received will be quite apart from any burden of costs he will be faced with an additional bill of £200 to meet out of capital as the penalty for pursuing the litigation even though his case was strong enough to succeed until the final tribunal.

If the taxpayer had been subject to tax at 75 per cent, the penalty would rise to £300 or more, and if he had been paying the highest rate then almost the entire would be payable out of capital. It follows that the taxpayer can hardly afford to challenge the assessment except on terms that he makes a forced loan of the full amount in dispute to the Revenue in advance.

This is, in our submission, an unacceptable obligation to impose upon any taxpayer who has a genuine dispute. Moreover, the repayment provisions will not compensate the taxpayer fully if he pays the assessment in full and then appeals successfully. Although he will then be entitled to a repayment of the sum in dispute, and under Clause 44 will be entitled to a tax-free payment of interest at 9 per cent, interest is paid not as from the date of payment but as from a date which may be almost a year later.

The top-rate taxpayer may feel that the interest over part of the period in which the Revenue has had the use of his money is compensation, though in a time of 20 per cent plus inflation or worse that in itself is doubtful enough; but the basic rate taxpayer who can ill afford the loss of his capital may well feel the compensation is derisory.

In our view it is essential to a free society that the taxpayer should be able to challenge Revenue demands without fear that he will be penalized for so doing, and we believe that the Bill in its present form fails to guard that essential freedom.

Is there any reason why interest payable on overdue tax should not be deductible? Is there any reason why interest payable on a repayment by the Revenue should not be calculated from the date when the taxpayer made his overpayment? Is there any reason why the appellate tribunals should not have power to relieve against the duty to pay interest?

Yours faithfully, JOHN VINELOTT, RUPERT EVANS, CHRISTOPHER MCCALL, 7 New Square, Lincoln's Inn, London, WC2.

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This is, in our submission, an unacceptable obligation to impose upon any taxpayer who has a genuine dispute. Moreover, the repayment provisions will not compensate the taxpayer fully if he pays the assessment in full and then appeals successfully. Although he will then be entitled to a repayment of the sum in dispute, and under Clause 44 will be entitled to a tax-free payment of interest at 9 per cent, interest is paid not as from the date of payment but as from a date which may be almost a year later.

The top-rate taxpayer may feel that the interest over part of the period in which the Revenue has had the use of his money is compensation, though in a time of 20 per cent plus inflation or worse that in itself is doubtful enough; but the basic rate taxpayer who can ill afford the loss of his capital may well feel the compensation is derisory.

In our view it is essential to a free society that the taxpayer should be able to challenge Revenue demands without fear that he will be penalized for so doing, and we believe that the Bill in its present form fails to guard that essential freedom.

Is there any reason why interest payable on overdue tax should not be deductible? Is there any reason why interest payable on a repayment by the Revenue should not be calculated from the date when the taxpayer made his overpayment? Is there any reason why the appellate tribunals should not have power to relieve against the duty to pay interest?

Yours faithfully, JOHN VINELOTT, RUPERT EVANS, CHRISTOPHER MCCALL, 7 New Square, Lincoln's Inn, London, WC2.

Suppose therefore that the taxpayer challenges an assessment of £1,000 through the Courts, wins successive appeals but is ultimately defeated by the Revenue in the House of Lords. The process of these appeals will doubtless last some five years, at the end of which period the interest will approach £500. Assume that the taxpayer prudently placed £1,000 on deposit with his bank when he first appealed, and that he pays basic rate income tax.

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FINANCIAL NEWS AND MARKET REPORTS

Dealing profits—the long and short term views

fits on realization of investments always figure prominently in the results of the finance houses. But how are they achieved in practice? enormously between the views of two groups of analysts—those of the Consolidated and Selectors.

h employ a staff of about their investment department and at this point, says Charter's strategic policy, such as the 10 per cent in Union Corporation and per cent of Selection the difference in philosophy become readily apparent. Charter, which saw its profits from these activities last year from £4.3m to £4.7m, covers a much broader range with the money of one-third of its £30m in mining shares and proportions in North and the United Kingdom.

achieve a 15 per cent return on any investment over a year or so, says Charter's strategic policy, such as the 10 per cent in Union Corporation and per cent of Selection the difference in philosophy become readily apparent. Charter, which saw its profits from these activities last year from £4.3m to £4.7m, covers a much broader range with the money of one-third of its £30m in mining shares and proportions in North and the United Kingdom.

Mining

idea, keeps its cards extremely close to its chest and takes a long-term view on any situation. Rather than trading actively in units of £250,000 spread over 100 or so stocks, as does Charter, where brokers' commissions last year amounted to around £250,000, ST tends to buy big in any particular situation, as with its holdings in Southvaal and Western Mining Corporation.

with its latest results due on Wednesday. The investment managers have discretion to buy non-mining stocks, the farthest they have yet gone is to venture into oil. While small situations are not ignored, what ST is looking for now is a prospect where it can pour a big sum, well over £2m, on a five-year view. It would be good to get there first.

Little response to land devaluation

Friday morning's news that the South African Rand has been devalued against the United States dollar from £147 to £140, equivalent to a fall of 4 per cent, had a negligible effect upon gold shares on Tuesday. The Cape had been experiencing such a move for some time while in London, such reaction as there was, proved largely in

remaining at a low level of business. This devaluation is helpful for mine revenue but any benefits accruing on this score are almost immediately swallowed up by the continuing high level of increases now running at 25 per cent annually in working costs, as will be spelt out in the June quarterlies which will emerge in the week beginning July 13.

Gold is showing little decisive trend. Last week's upward flicker in price was in part because of the remarks of Mr W. S. Schumann, president of the Chamber of Mines, when he forecast a recovery in the second half of this year. As I have mentioned before, the Kruggerand remains the best gold investment at the moment for United Kingdom residents with sterling moving ever closer to the void.

Andrew Wilson
Mining Correspondent

Wall Street

New York, June 27.—Wall Street stocks moved guardedly today showing little change throughout the session and closing narrowly mixed.

The Dow Jones industrial average fell 1.02 to 873.12. Advancing issues held a small lead over decliners, 770 to 611. Volume totaled 18,520,000 shares compared with 24,550,000 yesterday.

Analysts said the market appeared to be caught in some portfolio switching by institutions before the end of the quarter. They also noted that while the Federal Reserve moved to contain short-term interest rates, the rates continued high. Some analysts said the Fed moves were not indicative of a relaxing monetary policy. —AP-Dow Jones

US gold advances

New York, June 27.—GOLD futures closed sharply higher in active trading on Tuesday, while silver futures were mixed. The COMEX gold futures price rose 20.00 to 120.00, while silver futures rose 1.00 to 1.00.

SILVER.—Comex silver futures drifted out of range of price fluctuations on Tuesday, while gold futures were mixed. The COMEX silver futures price rose 1.00 to 1.00.

SOYBEANS.—World soybean futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX soybean futures price rose 1.00 to 1.00.

WHEAT.—Chicago wheat futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX wheat futures price rose 1.00 to 1.00.

CHICKEN.—Chicago chicken futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX chicken futures price rose 1.00 to 1.00.

EGGS.—Chicago egg futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX egg futures price rose 1.00 to 1.00.

POULTRY.—Chicago poultry futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX poultry futures price rose 1.00 to 1.00.

MEAT.—Chicago meat futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX meat futures price rose 1.00 to 1.00.

GRAIN.—Chicago grain futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX grain futures price rose 1.00 to 1.00.

VEGETABLES.—Chicago vegetable futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX vegetable futures price rose 1.00 to 1.00.

FRUIT.—Chicago fruit futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX fruit futures price rose 1.00 to 1.00.

FLORAL.—Chicago floral futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX floral futures price rose 1.00 to 1.00.

TEXTILES.—Chicago textile futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX textile futures price rose 1.00 to 1.00.

LEATHER.—Chicago leather futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX leather futures price rose 1.00 to 1.00.

Wool.—Chicago wool futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX wool futures price rose 1.00 to 1.00.


Other commodities.—Chicago other commodities futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX other commodities futures price rose 1.00 to 1.00.

Summary.—Chicago summary futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX summary futures price rose 1.00 to 1.00.

Notes.—Chicago notes futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX notes futures price rose 1.00 to 1.00.

Options.—Chicago options futures advanced sharply on Tuesday, while corn futures were mixed. The COMEX options futures price rose 1.00 to 1.00.

| June 27 | | June 28 | | June 29 | | June 30 | |
|----------------|-----|---------|----|---------|----|---------|----|
| Alfred Chem. | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Alfred Bros. | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Alfred Super | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Alfred Bros. | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Alcoa | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Aluminum | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| American Bros | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Brand | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Can | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. M. Power | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Motors | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. National | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Nickel | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Steel | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Tin | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Zinc | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Copper | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Lead | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
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| Am. Manganese | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Chromium | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
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| Am. Hafnium | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
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| Am. Ruthenium | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
| Am. Rhodium | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
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| Am. Platinum | 125 | 28 | 28 | 28 | 28 | 28 | 28 |
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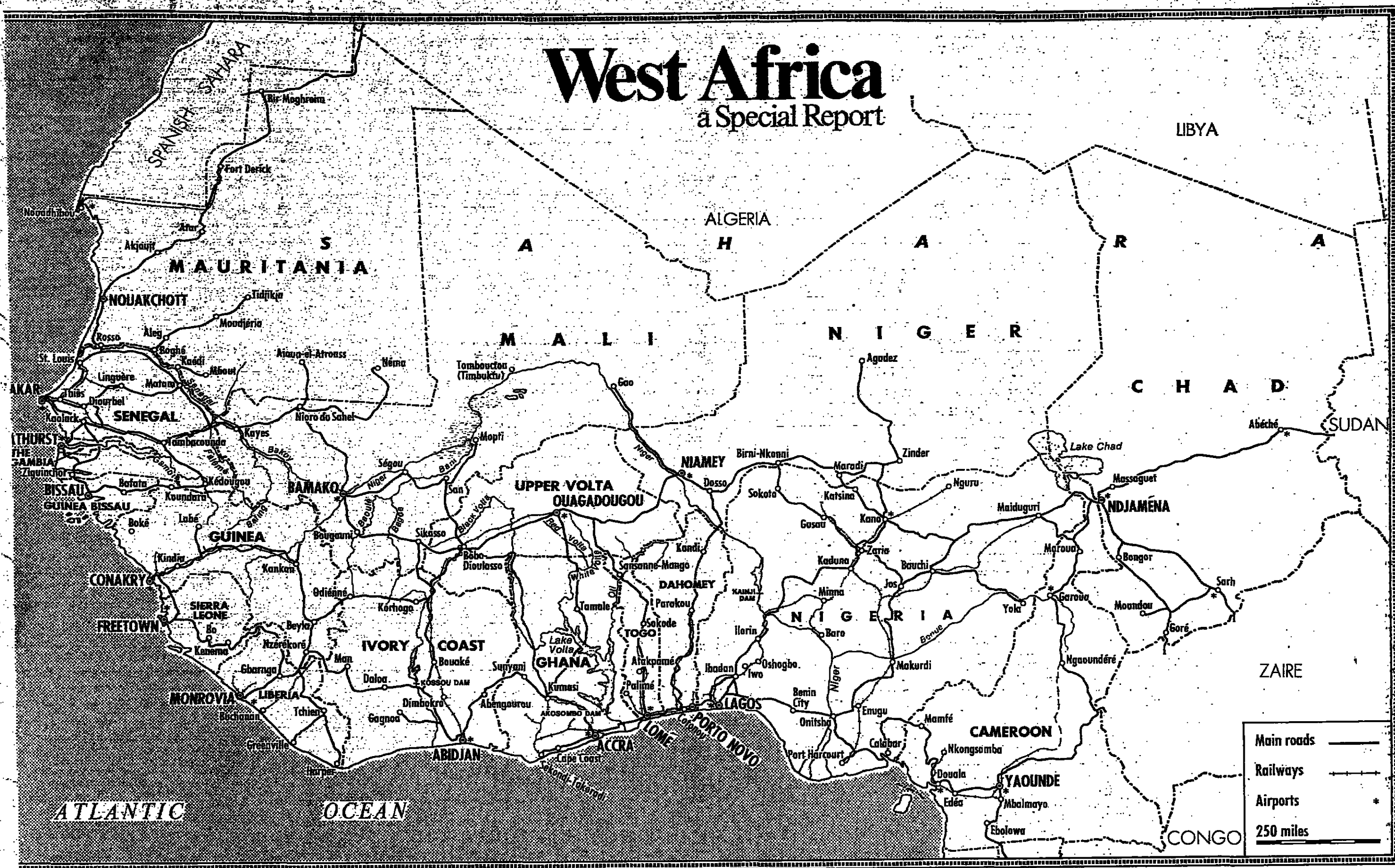
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Fifteen countries on May 28 signed a treaty in Lagos setting up the Economic Community of West African States. This Special Report traces the history of political and economic cooperation in West Africa over the past 15 years and assesses the new community's chances of success. Countries covered are Cameroon, Chad, Dahomey, The Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo and Upper Volta

On other pages

| | |
|---|------|
| Cooperation in West Africa since independence | |
| Membership of main West African groupings (table) | |
| The Lomé Convention and West Africa | |
| Political differences and economic cooperation | II |
| Economic Community of West African States | |
| Communauté Economique de l'Afrique de l'Ouest | |
| Monetary systems in West Africa | IV |
| Transport in West Africa | |
| Smuggling between West African states | |
| West Cameroon and the United Republic of Cameroon | VI |
| Nigeria in West Africa | VIII |
| Ivory Coast and the Conseil de l'Entente | IX |
| Cooperation based on rivers | |
| Lake Chad Basin Commission | X |
| Mano River Union | |
| Senegal and The Gambia | XI |
| Mali, Upper Volta and Niger | XII |

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by Simon Scott Plummer

The colonial period brought a degree of unity to parts of the area, above all in French West Africa, where eight territories between the Atlantic and the shores of Lake Chad were

When de Gaulle offered French colonies the choice of immediate independence or internal self-government within a French community in 1958 only Guinea, under M Sékou Touré, opted for the former. However, his decision seriously weakened the concept of the community and M Senghor had eventually to be content with the Federation of Mali, grouping Senegal and Soudan.

*The ECOWAS treaty was signed by 15 states in Lagos last month. The Community comes into being when seven states have ratified the treaty.

During the same period, Ghana formed a union with Upper Volta following M Touré's break with France. Two years later it was extended to include Mali but it never came to much.

Thus, shortly after independence West Africa was split into the 17 units which exist today. In 1967 even that fragmented pattern was jeopardized by the secession of Eastern Nigeria from the Nigerian Federation, which was led to civil war and the eventual secession of the Biafran state, another area long beset by tribalism and the British at independence.

It seems appropriate that the one country which has read its territorial interests

seriously threatened, since its dependence should be the prime mover behind the most comprehensive groupings yet established for West Africa, the Economic Community of West African States (ECOWAS), whose treaty was signed by 15 states in Lagos last month. ECOWAS, an umbrella organization for the proliferating mass of lesser organizations. The way in which they overlap and the unpalatable acronyms by which they are known are highly confusing to the outsider. For instance, he must wonder why Ivory Coast thinks it necessary to belong to so many organizations, including ECOWAS, and then go on to sign the ECOWAS treaty.

As well as organizations covering broad spectrums of political and economic

cooperation there are groups dealing with specific sectors. These include the United Montairé Ouest Africain (UMOJA), which provides special monetary arrangements for the French-speaking Ivory Coast, Dahomey, Upper Volta, Senegal, Niger and Togo; the Niger River area Lake Chad Basin Commission; the Senegal River Basin Development Organization (MSV); the Lipraco Gourma Authority through which Mali, Upper Volta and Niger plan to exploit their mineral resources in common; a 1973 agreement between Senegal and the CILSS, set up in 1973 and comprising Chad, Niger, Upper Volta, Mali, Senegal, The Gambia and Mauritania; the West African Rice Development Association; the West African regional committee of African return

banks, and the West African ports association.

Then there are bilateral agreements which cross old colonial boundaries. Under the Mano River Union, for example, Sierra Leone and Liberia plan to set up a customs union. Nigeria is a major West African trading partner and will supply its northern neighbour with electricity from the Kajini dam on a Niger river.

Chane and Upper Volta are jointly studying possible sites for a dam on the Volta and are working on a system of passenger transport by road between Accra and Upper Volta. There is also potential bilateral trade through the large quantities of goods smuggled across borders to French-speaking neighbours.

There are also a number

The change of policy reflects French trade with West Africa. Exports from the region totalled 4,300 million francs in 1967, up from 3,477 million in 1966. Total imports from the same area rose to 4,300 million francs, compared with 3,477 million in 1966. Imports from Senegal to 1.1 billion francs. To a country anxious to offset the loss of its market in the West Indies, the French Government has increased aid to Nigeria to an obvious margin. The determination to ignore colonial divisions is shared by aid and development organisations, including the African Development Bank among these. The United Nations agencies, Economic Commission for Africa, UNDP and FAO, the African Development Bank and the United African Development Fund, are all in agreement.

It appears, then, that the scales are firmly tipped in favour of an all-African organisation such as ECOWAS. Negotiating with the question of the West's share in the Y

The difficulties facing ECOWAS are many. The first and most obvious is the wide gulf between the theories and the realities. Poor relations with presidents Touré, Guinea and Senghor. Senegal sabotaged an early grouping of Senegal, Guinea and the Ivory Coast. The Ivory Coast and Senegal refused to join the Organisation of African States. The Ivory Coast and Senegal refused to join the Organisation of African States. The Ivory Coast and Senegal refused to join the Organisation of African States.

The Nigerians realized that these difficulties will be quickly overcome. ECOWAS treaty provided for the establishment of a 15-member committee to study the treaty once it is signed. The treaty came into force after it has adopted a deliberate flexible approach to collaboration.

The significance of the Lagos meeting last week was political. It was the effects of ECOWAS membership will not be felt in Nigeria has built up a distasteful surplus for economic and infrastructural development. The effects of ECOWAS membership have been diminished in the 1980s shall we see whether ECOWAS is a effective framework for political and economic integration in West Africa.

by David Williams
editor.

Many of these states, including in West Africa, the Gambia, Dahomey and Togo, and small most are poor, but all with its new features such as the scheme for stabilizing ACP export earnings of the Lomé Convention is essence an agreement to civilize relations between raw material producers and industrialized countries. If these relations can ever be equal, the convention will help to make them so. And in the negotiations leading to it the ACP, joined by newly independent Guinea-Bissau after the talks started, showed that they and determination

that the Yaoundé Convention, which governed the economic relations between the Six and the ex-French, ex-Belgian, and ex-Italian colonies of Black Africa, and which was shortly due for renegotiation, had political overtones which made it neo-colonialist.

The membership of the EEC had been brought to the attention of Commonwealth and Caribbean and African countries (the Asian Commonwealth countries, so much bigger, were not represented, the EEC considered, too significant a departure) at a Yaoundé style agreement.

Many Commonwealth countries, fearful of the

The chief obstacle to regionalism has been the short-term but disproportionately effective distinction between territories of British and French mercantile and colonial penetration. The heritage has been most obvious in the immediate inheritors of political power from the colonial rulers, and it is no accident that the prime movers of the initiative for the Economic Community of West African States (ECOWAS) were military leaders in Togo and Nigeria, whose acquaintance

Professor Adebayo Adedeji, then Nigeria's Commissioner for Economic Development and Reconstruction, recently commented on Lagos: "It is necessary to stress here that in the economic life of the country, the stream of an economic community, the long-term economic gains rather than the short-term losses and sacrifices should be of primary consideration. It is in mind the fact that the cumulative benefits of the effects of the community member countries that are important." He also stressed the importance of policies

hen in West Africa, where he argues, run from the north of Mauritania to the south of Zaire, ECOWAS leaves out four five-eligible states. Mr. Sekou remains an enthusiast for the French-speaking Common African and Mauritanian Organization (OCAM) and for diplomatic links with France, which he sees as analogous to membership by English-speaking African states in the British Commonwealth.

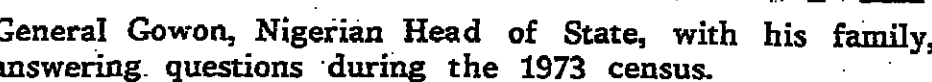
Three other long-established civilian leaders in the region, M. Sékou Touré, President of Guinea, Dawda Jawara, President of

by Michael Wolfers

The chief obstacle to regionalism has been the terms, but disproportionately effective distinction between territories of British and French mercantile and colonial penetration. The heritage has been most obvious in the immediate aftermath of the independence of the heretofore of political power from the colonial rulers, and it is no accident that the prime movers of the initiative for the Economic Community of West African States (ECOWAS) were military leaders in Togo and Nigeria, whose acquaintance grew in the post-independence phase of African politics.

Professor Adebayo Adedeji, then Nigeria's Commissioner for Economic Development and Reconstruction, recently commented on Lagos: "It is necessary to stress here that in the establishment of an economic community, the long-term economic gains resulting from the short-term losses and sacrifices should be of primary consideration, bearing in mind the fact that it is the cumulative beneficial effects of the community member countries that are important." He also stressed the importance of political will. Though the need for economic cooperation is


ECOWAS leaves out four of five eligible states. M. Sékou Touré remains an enthusiast for the French-speaking Commonwealth African and Mauritian Organisation (OCAM) and for diplomatic links with France, which he sees as analogous to membership by English-speaking states in the British Commonwealth.



In the early years of independence the states of West Africa were led by politicians whose relationships, particularly with the British, tended to date from the period of French or British rule. That generation is still in power in some of the states proposed for COWAS, although with the notable exception of Guinea, tended to form the mainstay of the French-speaking West African Economic Community (CEAO).

Both groupings have sought to avoid the accusation of appearing as rivals, by offering an open door to other countries. The crucial difference at present is that COWAS in its current form as designed to ignore or overcome language and currency barriers whereas CEAO is intended to remove such barriers with a single trade bloc within one currency zone. The currency issue becomes more complex as countries like Mauritania establish their own currency. Mali has moved out of the franc zone and back.

It is tempting to discuss economic cooperation in West Africa as if it were merely a commercial question. The recent debate in Britain over the European Community is a reminder that EEC policies



General Gowon, Nigerian President, answering questions

raise delicate political and social issues in their training. In West Africa the psychological factors are particularly important because it is a region where heads of state wield more personal power and influence than is commonly the case in Europe.

If we take the Organisation pour la Mise-en-Valeur du Fleuve Sénégal (OMVS), which links Mali, Mauritania and Senegal, it would be stronger with the participation of Guinea, which was a member of the earlier grouping; but it has become clear that the heads of state of Guinea and Senegal cannot work together.

Conversely the heads of state of Guinea and Sierra Leone have found much in common and have, with

erian Head of State during the 1973 c

...with his family.
ensus.

policy. An obvious example is that of a small country which relies on a large neighbour for power supplies. It needs to protect the supply as a compelling argument for good-neighbourliness. As the 'developing' economies of the region begin to complement each other (as yet they scarcely do) and gain an economic strength which can only come through regionalism, it will be possible to make longer and more reliable forecasts for project development.

The only possibility for West African cooperation to achieve success is if it is given time to prove itself. The founders of ECOWAS, who have already spent three years in negotiations towards the treaty, envisage

some form is hardly in doubt, but the political will to make it happen is lacking.

It has to be admitted that the economies of the states in the region are not in promising condition — for localities as well as for the poorer — have been unable to serve metropolitan needs, the imbalances between the various states are staggering, and for decades the large coastal states have provided cheap labour for the underdeveloped economies of the coastal states.

That reality is elegantly wrapped up in, for example, the Conseil de l'Estat where Ivory Coast leader Felix Houphouët-Boigny, President of Upper Volta, but not of Houphouët-Boigny, President of Ivory Coast, finds himself the only child of the ruler in the grouping and his economic power is stronger than his political power. He must, the new multi-racial ruler, be a man of many talents, a man who can share M. Houphouët-Boigny's attachment to France.

The other key veterans figure in any assessment of West African regional policy is Léopold Sédar Senghor, President of Senegal, who has some of the most expressed doubts about ECOWAS — and who was absent from the May summit in Lagos. M. Senghor's

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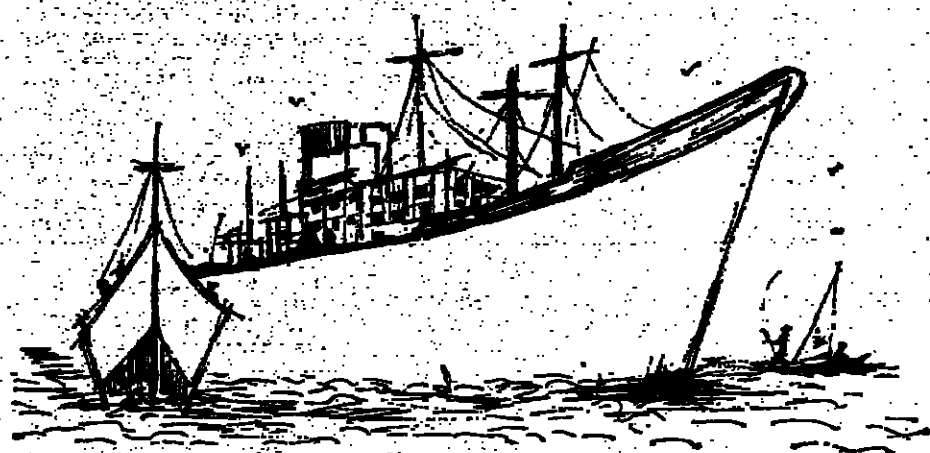
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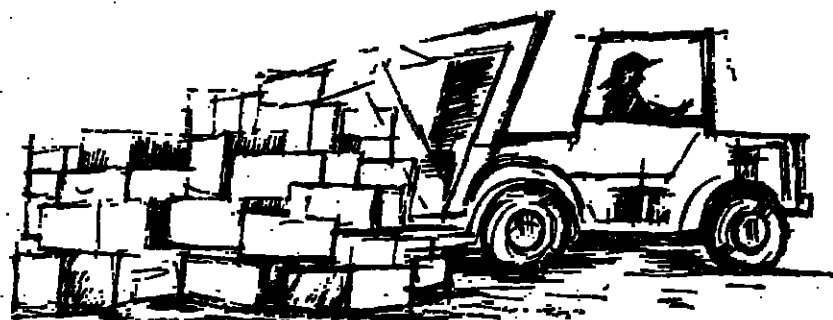


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15-nation community adopts policy of gradual and painless changes

by Simon Scott Plummer

On May 28, in the Federal Palace Hotel in Lagos, 15 West African countries put their signatures to a treaty which aims at creating a common market among 124 million people spread over 6,500,000 sq kilometres. The Economic Community of West African States (ECOWAS, or CEDEAO to French speakers) is one of the most ambitious projects of its kind in the world and it comes from an area which has so far had a poor record in regional cooperation.

For some years the states of West Africa have been aware that they lagged behind other parts of Africa in this matter. The Customs and Economic Union of Central Africa (UDEAC) was founded in 1964, the East African Community in 1967 and the Permanent Consultative Committee of the Maghreb in the early 1970s.

At a conference in Accra in 1967 the articles of association for the establishment of an economic community of West Africa were signed. Heads of state met in Monrovia a year later and signed the protocol establishing the West African Regional Group (WARG). Studies of areas of cooperation were made by Nigeria and Guinea but none of the WARG organs ever met.

In 1972 General Gowon of Nigeria and General Eyadéma of Togo relaunched the idea of cooperation across cultural and linguistic bar-

riers. Ministers from the two countries drew up proposals designed to achieve this and toured 12 countries with them in July and August, 1973.

Their efforts led to a ministerial meeting of 15 states in Lomé the following December which decided to accept the proposals as the basis for an economic community. In January, 1974, in Accra, experts and jurists studied a draft treaty prepared by Nigeria and Togo. It was accepted at a further ministerial meeting in Monrovia last January and Liberia, Nigeria, Dahomey and Togo were asked to complete the texts.

Although all 15 nations were represented at Lomé and Monrovia it was not clear even early last month how many countries would sign the treaty at Lagos. Francophone countries criticized it for lack of precision and the poorer countries were afraid that it would benefit the richer members, such as Nigeria, Ghana, Ivory Coast and Senegal, at their expense. President Senghor of Senegal wanted the boundaries of the community widened to include the central African states as well. So it was hardly surprising to hear Mr. N. A. A. Oku-beye, Deputy Permanent Secretary in the Nigerian Ministry of Economic Development and Reconstruction, say three weeks before the Lagos meeting that it would

be foolhardy to expect all 15 to sign.

The presence of 11 heads of state in Lagos was a triumph for Nigerian diplomacy. Even Senegal, having been conceded the principle that membership of the community should be open to other states, signed, although President Senghor did not attend the summit. Since then Liberia, Nigeria, Togo and Ghana have ratified the treaty. According to Article 62, when "at least seven signatory states" have done so it will come into force.

What have the 15 countries committed themselves to? The core of the ECOWAS treaty is the formation of a customs union through the gradual elimination of tariff and non-tariff barriers between member states over a transitional period of 15 years from the entry into force of the treaty. A common customs tariff for imports from third countries is also to be established by the end of that period.

Article 2 states that it is the aim of the community to "promote cooperation and development in all fields of economic activity, particularly in the fields of industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions and in social and cultural matters, for the purpose of raising the standard of living of its peoples, of increasing and maintaining economic

stability, of fostering closer relations among its members and of contributing to the progress and development of the African continent".

It pledges members to ensure by stages within the community the elimination of customs duties; abolition of quotas; establishment of a common customs tariff and a common commercial policy towards third countries; abolition of obstacles to the free movement of people, services and capital; harmonization of agricultural policies and the promotion of common projects in marketing, research and agro-industrial enterprises; joint development of transport, communication, energy and other infra-structural facilities; harmonization of economic and industrial policies and elimination of disparities in levels of development; harmonization of monetary policies; and establishment of a fund for cooperation, compensation and development.

The ECOWAS approach towards a customs union is gradual. For two years after the entry into force of the treaty members must not reduce or eliminate import duties nor impose new duties and taxes or increase existing ones; for eight years after that they must progressively reduce and finally eliminate import duties. During the final five years of the transitional period they are gradually to abolish existing differences

in their external customs tariffs.

Internal taxes for the protection of domestic goods must be eliminated three years after the treaty comes effective and all revenue duties imposed for the same purpose 10 years after its coming into force. The same period is prescribed for the removal of quota restrictions.

The treaty provides for compensation for states whose import duties are reduced through trade liberalization and contains a clause permitting safeguard measures in a country where that process has provoked serious economic disturbances.

The fund for cooperation, compensation and development will be used to finance projects in member states; assist countries which have suffered losses as a result of the location of community enterprises or because of trade liberalization; guarantee foreign investments which promote harmonization of industrial policies; facilitate the mobilization of internal and external financial resources for individual countries and the community as a whole; and promote development projects in the less developed states.

The treaty has tried to make membership of ECOWAS as painless as possible by allowing a long period for the achievement of a customs union and by ensuring that countries are compensated for losses in revenue incurred in achieving it. In taking that line the authors have been influenced by the failure of the more abrupt methods adopted for ECOWAS's predecessor, the West African Regional Group.

During its first two years ECOWAS has many questions to settle. They include the level of contributions to the community budget and the compensation fund, the system of voting, if any, the timing and staffing of the secretariat and the method of assessing compensation for member states.

The emergence of a flourishing trade between members is hampered by the fact that many of them produce the same crops, such as groundnuts, palm oil and kernels, cocoa, rice, cotton and coffee.

The large Nigerian market offers the best openings. There are opportunities for Dahomey and Ivory Coast to export palm oil to Nigeria, which cannot meet domestic demand, and within a few years Ghana may be selling rice to Nigeria and Ivory Coast.

So far as industry is concerned, Nigeria has talked of supplying its partners with petroleum products, iron and steel, and motor vehicles from its Peugeot and Volkswagen assembly plants.

These are a few pointers in the direction of expanded trade, but it is unlikely that marked changes in the present pattern will occur before the 1980s.

Many experts consider that the problems of monetary and currency union in West Africa are at least as great as the underlying economic difficulties. Certainly West Africa is further away from the ideal of a common currency than Europe and the road to this goal may be just as arduous.

All West African states settle most of their overseas trade in international currencies. In practice this is mainly sterling, the franc and the dollar and most intra-African trade also has to be settled in one of these currencies. Most international payments are still made through London or Paris at rates of exchange which are often extremely unfavourable to the franc zone.

By far the greater part of African trade is still with international partners. Trade inside Africa still accounts only for some 5.5 per cent of the total, a share that has been declining since 1960. Most countries became independent in the 1960s and 1970s and its currency collapsed. Internal trade is less than 3 per cent inside its own region.

West African countries are having to make monetary systems and institutions which were originally set up in colonial times and though much modified, still link them to ex-colonial currencies. In ex-British territories each country has its own Central Bank, issues its own currency and makes its own clearing arrangements. The strength of the currency, indeed of the economy, is dependent on levels of foreign exchange reserves and the balance of payments. But even the Nigerian naira, the strongest currency of all, backed by formidable oil wealth, needs to maintain its link with the pound because it is not itself an international trading currency.

Tangle of currencies aids smugglers

by Alan Rake

editor, African Development

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The Ghanaian cedi has suffered a series of devaluations, beginning in Kwame Nkrumah's time, due to high foreign indebtedness and a balance of payments over the years. Sierra Leone and the Gambia, being too small to pursue independent currency policies, have linked their currencies with the pound and the dollar. Until recently cocoa, coffee and oil palm farmers in ex-French territories have been paid far higher producer prices by their local marketing boards.

This has led to smuggling of farm products out of countries such as Ghana. The smugglers are paid in CFA francs which they use to buy foreign imports or, after conversion into foreign currencies, as funds for illegal overseas bank accounts.

Ghana ran into considerable difficulties in paying for the large flow of cattle on the hoof which were driven down from its northern neighbour, Upper Volta, and in selling Ghanaian manufactures in exchange, until it set up special clearing arrangements, which cut out the need to use Paris to obtain foreign currency. What happens now is that the two countries offset payments to each other on special accounts and it is only the residual balance that has to be settled at regular intervals. Similar special clearing arrangements have been set up between Nigeria and Niger.

A still more ambitious West African clearing system is due to emerge from a series of meetings that have been held between the governors of the Central Banks of the various West African countries which are now in the process of setting up ECOWAS. A meeting in March in Lagos between the bank governors agreed to set up a West African clearing system, with a secretariat in one of the francophone countries, probably Abidjan. This will offset all intra-West African payments and settle the outstanding balances in a mutually acceptable hard currency, at regular intervals.

The system is not likely to start before early 1976, but one of the bank governors involved in negotiations told me that he thinks it will greatly promote West African trade and cut out the expense and exchange loss in using Paris or London. Even the francophone states will see it in parallel to their own franc zone system.

However, the step between effective clearing and full monetary union is a huge one.



Ivory Coast, one of the richer West African countries—a street in Abidjan is shown above—can expect trade opportunities from ECOWAS.

Events could sway francophone group

The biggest uncertainty facing the negotiators of the Economic Community of West African States (ECOWAS) was whether members of a recently formed organization of French-speaking countries would sign the treaty in Lagos last month. In the event, they all did. But the difficulty of reconciling the different approaches of the two communities towards economic cooperation remained.

The Communauté Economique de l'Afrique de l'Ouest (CEAO) sprang from the ruins of the Union Douanière des Etats de l'Afrique de l'Ouest (UDEAO), a customs union set up on the eve of independence in 1958 by Mali, Mauritania, Niger and Senegal. The terms of the union were revised in 1966 but by 1969 members accepted that it had failed, both to promote sufficient rapid growth and to level disparities in wealth between Ivory Coast and Senegal on the one hand and the remaining four Sahelian states on the other.

Accordingly, they decided to create a new organization better adapted to these aims. A draft treaty was presented in 1970 and a final version instituting CEAO was signed in Abidjan in 1973. Article three of the treaty states that the community's role is "to promote harmonized and balanced development of member states' economies in order to improve the living standards of their citizens".

The methods for achieving that are as follows. Raw materials, such as minerals, livestock, fish and crops, circulate duty-free among member states. On the other hand, industrial goods are subject to a "regional co-operation tax" which has replaced the import duties. The level of the tax varies according to the nature and origin of the goods and is fixed by the Community's Council of Ministers. However, it is lower than the rates imposed under UDEAO and, in some cases, can be waived entirely. Application is on the principle of promoting industrial development in the poorer countries.

As most CEAO members rely heavily on import duties as a source of revenue, two-thirds of the difference between the regional co-operation tax and that imposed on imports from third countries will be made up by the Community Development Fund.

The level of the fund, determined by the heads of state, is based on total losses in revenue likely to be incurred by application of the regional co-operation tax: two-thirds goes towards compensating member states and one-third towards development projects.

Contributions to the fund depend on a country's share of intra-community trade in industrial goods. Thus, 58.1 per cent of this year's total of 2,700m francs CFA (£57m) comes from Ivory Coast, 33.2 per cent from Senegal, 6.27 per cent from Mali, 1.80 per cent from Upper Volta, 0.67 per cent from Niger and 0.05 per cent from Mauritania. For the first five years priority in spending that part of the fund allotted to development projects will be given to the four poorer CEAO members.

With regard to imports from third countries, the six have undertaken to establish a common external tariff by 1986, thus completing the formation of a customs union.

The CEAO secretariat, in Ouagadougou, is headed by a Senegalese, Sheikh Ibrahim Fall. The administrative budget this year is 886m francs, of which 450m francs have been set aside for new

headquarters for the secretariat, which is expected to have a staff of about 120 by the end of the year.

The importance of trade with ECOWAS partners varies a good deal from country to country, although official statistics take no account of smuggling.

The value of Upper Volta's imports from Mauritania in 1972 was no more than the cost of a few days in good hotel, whereas Ivory Coast's exports to Mali last year were worth 7,710m francs (£16.6m). Upper Volta depended on CEAO members for more than half its exports, and nearly a quarter of its imports in 1972. The comparable figures for Ivory Coast were 6.19 per cent and 2.22 per cent.

Despite these discrepancies both rich and poor countries value community membership. In its April edition the *Journal of the League of Nations* said the CEAO market offered "immense possibilities".

Ivorian purchases from other CEAO members except Senegal are minimal but they appreciate the compensation provided by the development fund.

The main criticism of ECOWAS, it emerges from the rather loose provisions of the Lagos treaty, is that it will create a free trade zone favouring the more developed West African countries at the expense of the rest.

In a recent article in the *West African*, M. Youssouph Sylla, a Senegalese diplomat, said it appeared that a customs union of the kind proposed by ECOWAS, involving the abolition of all tariffs, was incompatible with CEAO's "preferential" system of industrial goods. He criticized the ECOWAS treaty for failing to define how countries were to be compensated for loss of revenue incurred in lowering tariffs and said that the provisions for the working of the development fund and payments between members had been left too vague.

Despite the attractions of CEAO and the shortcomings of the ECOWAS treaty, the trend of relations within West Africa is working against an exclusively francophone grouping. Togo and Dahomey declined to join CEAO for that reason, and Niger's interest in it may weaken over the next few years as its links with Nigeria develop.

CEAO has made a slow start because of the coup last year in Niger, which overthrew Hamani Diori, and the border fighting between Upper Volta and Mali, a delay which has weakened its position vis-à-vis ECOWAS.

In the long-term Niger will supersede CEAO. A merger of the two should be feasible provided the interests of the poorer West African nations are protected.

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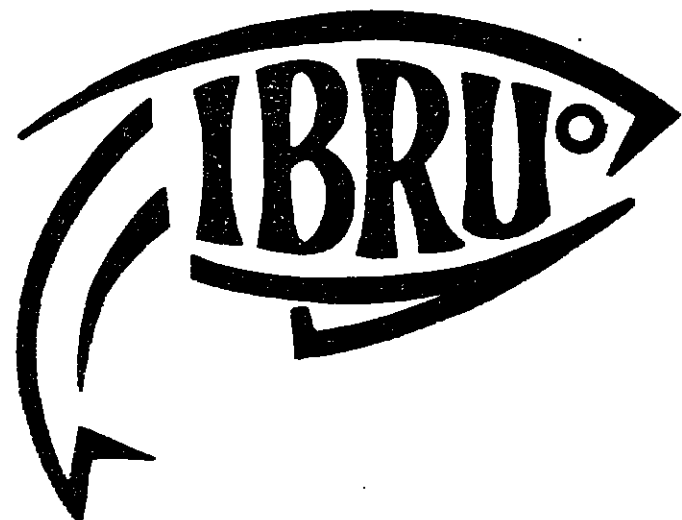
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Togo Believes in Partnership in West Africa, Witness C.I.M.A.O.*

The Republic of Togo: A Country Whose Political Stability Ensures a Rapid Economic Growth

The Republic of Togo, a country previously ravaged by insoluble political struggles, is today a State which has discovered its place in the Community of Nations. Since then, if Togo has turned her back on economic stagnation and political difficulties, it is thanks to the devotion, selflessness and patriotism of a young man: General Gnassingbé Eyadéma, the present head of State. President Eyadéma, in whose hands the destiny of the Togolese people lies, has brought about since his coming to power in January 1967, a "silent revolution". As to this revolution, Togo is firmly set on the course of economic independence.

One of General Eyadéma's greatest achievements is that he has succeeded in bringing peace, unity and concord to his country where now all citizens are forever reconciled. In fact, during the eight years that he has been in power, General Eyadéma has established a regime which the most prominent characteristic is the search for national happiness for the Togolese people. With this in mind, the head of State has tirelessly repeated to his fellow countrymen: "The challenge of leading Togo to economic independence must be based on the hard work of each and every one of us, for we have reached the time for positive action and the time for the demagogue's empty criticisms is passed."

In the last eight years Togo has made considerable progress in all areas, especially in the economy, to such an extent that today the country has to its credit a surplus of foreign exchange and balance of payments.

Physical and historical Togo

Before making a concise analysis of the successes achieved by this country of 56,000 square kilometres, let us first see which a strong political stability has favoured, appropriate to give you a brief history of Togo.

The smallest of the French speaking states, Togo has a coastline of 56 km. to the West, Dahomey to the North, Upper Volta to the North, to the South it opens on the Gulf of Guinea along a 55 kilometre coastline. More than half the land is hilly countryside and valleys between altitudes 150 to 500 metres. The country is crossed by a small chain of mountains running from north-west to the north-east, the altitude of which varies at 1,020 metres in the Kloti region.

By virtue of its latitude, the country offers three climatic zones: the south has a dry tropical climate, two rainy seasons, one from March to June, the other September to October; the central zone, sheltered by its mountainous dorsals, has a climate similar to that of the Sudan, with a rainy season from May to October and a long dry season from November to February. The average annual rainfall does not exceed 1,000 mm; the temperature ranges between 22 and 32°C, being hotter farther inland.

The population (2,000,000 inhabitants and approximately 40 tribal strains) with an average density of 35 inhabitants per square km., is concentrated in the south (750 to 300 inhabitants per square km.); the population represents 10% of the total, that of (about 200,000 inhabitants) is increasing at the rate of 2% per year.

End of Colonialism

Togo has known 2½ of a century of colonialism dating from the German protectorate of 1884. The history of the period is characterised by the division of German Togo between France and England, and the integration in 1916 of British Togo into the Gold Coast (today known as Ghana), whilst the constitution of 1957 of French Togo as an autonomous Republic and gained full independence on April 27th 1960: a period of instability then, which was marked by the army's interventionist affairs on the 13th January 1963 and on the 1st January 1967, the actual date on which General Eyadéma began in office as head of State.

Political Structures

In November 1969 the former political parties were dissolved by a national political movement: the Rassemblement du Peuple Togolais (R.P.T.), the instrument by which central authority democratically reached the people. Unlike parliament which was dissolved in 1967, all power is retained and adapted. General Eyadéma, head of State, is the founder president of R.P.T. which, in his auspices, is regrouping the only workers' trade union, the C.N.T.T. (Confédération Nationale des Travaillistes du Togo) (a); U.N.F.T. (Union Nationale des Femmes du Togo) (b); the only youth organisation, the U.N.C.T.T. (Union Nationale des Chefs Traditionnels du Togo) (c); the U.N.C.T.T. (Union Nationale des Chefs Traditionnels du Togo) (d); which constitutes the outlet by which the authorities reach the rural masses. N.T.T.—National Confederation of Togolese workers. I.N.F.T.—The National Women's Union Togo. R.P.T.—The Youth of Togo Assembly. I.N.C.T.T.—The National Union of the Traditional Leaders of Togo.

Economic Life in Togo

Since his coming to power, President Gnassingbé Eyadéma has concerned himself very much in the difficult economic and financial situation with which Togo has been facing; a situation which was only the result of a long instability provoked by different political parties whose ideas were, like the military, basically concerned with their own interests than with the interests of their country. General Eyadéma has set down to the task of redressing this situation and methodically. For example, on the economic side, the system of production was not sufficient to satisfy the basic needs of the country and was characterised by a chronic state of under-equipment. In addition there was an infrastructure of inadequate communication, and in many respects non-existent, and a lack of capital.

On the social level, a certain dissatisfaction, predominant, characterised by the housing problem, an inept policy, the rapidly changing social patterns, with the ensuing problems of a defective health system. On the cultural level, the absence of adequate educational facilities, the maintenance of a state of illiteracy of more than 90% of the total population, the lowering of teaching standards in relation to world standards, weighed heavily on an inept and incomplete cultural policy.

On the commercial level, the weakness of international exchanges, the diminution of export trade in view of contingent and structural risks, the lack of surveillance distribution points, rendered impossible a commercial policy which would conform with local realities. On top of all that was added a serious budgetary deficit.

Twenty Year Development Plan

To redress a difficult economic, social and cultural situation, the Togolese authorities endowed the country



Symbol top left: The Party sign "RPT" (Rassemblement du Peuple Togolais)

Symbol top right: Coat of Arms of Togo.

Photograph above: "Ecowas" Lagos, the foundation of the West African Economic Community 28th May 1975.

Photograph right: 30th August 1969, Général Gnassingbé Eyadéma, President of the Republic of Togo becomes the President and Founder of the R.P.T.

Photograph below: President Eyadéma greets General Gowon, the Nigerian Head of State.

with a plan for economic and social development which, in 20 years, should change the physiognomy of Togo. Thus ambitious goals were set, to be achieved by means no less audacious. The strategy of development adopted began in the year 1966 and should be completed by 1985 when the country will have 3 million inhabitants, a national revenue which will have tripled, an education programme assured at 90%, and national frameworks answering all the needs of private enterprise and of public administration.

The goals of the first plan (1966-1970) were economic independence to assure a balance of public finance, a favourable balance of payments, an appeal for public and private capital abroad.

—The establishment of the structures of development as much on a national level as on a regional level, in the urban context as in the rural context.

—The execution of urgent tactical plans and of long term strategic plans designed to reduce the economic imbalance with a view to initiating expansion.

—The building of an infrastructure for transport which ensures real economic expansion.

—The promotion of rural development by the introduction of modern agricultural techniques, research into a better productivity from man and from earth... all these objectives have been largely achieved. On an initial prediction of 28,592 milliards C.F.A. (450 C.F.A.=£1 sterling).

Credits obtained represented 93.52% of the reassessed forecast whereas the accomplished credits rose to 87.88% of finances obtained and the relation between the accomplished credits and the reassessed forecast give a coefficient of execution of the Plan of 82.19%. Amongst the organisations and countries which have given aid to Togo in the form of credit are the F.E.D. (EEC) with more than seven milliards C.F.A., Federal Germany (more than 6 milliards C.F.A.), F.A.C. (France with more than 3 milliards), the World Bank (more than one milliard), the P.N.U.D. (U.N.O.), U.S. Aid etc. Togo itself has released significant amounts from its national budget to finance this first plan. It must also be mentioned that financial contribution from overseas often comes in the form of subsidies and loans; more than 77 milliard (one milliard=one thousand million) for the 2nd Plan.

The second Plan, in the process of being carried out at the moment, requires investments of about 77.3 milliards. Its execution has been facilitated by the favourable economic situation at the beginning and end of the 5 year period 1971-75. There was a difficult period from October



It must be stressed that since its independence, Togo has known two periods marked by a specific policy, the first which lasted from 1960 to 1966 characterised by economic stagnation. The second from 1966 to 1975 marks the beginning of real economic growth, facilitated by the regime of General Eyadéma whose prime concern is the economic development of the country by strategic planning. Thus, the way of careful planning has superseded anarchic administration of the Togolese economy.

With the second Plan nearing completion, the Togolese people have had their standard of living almost doubled in relation to that which they had in 1965. The two Plans 1966-70 and 1971-75 have had different emphasis, the first on laying the foundations for the structure of development, the second for initiation of production and the formation of a framework to make Togo self sufficient.

The third Plan, while remaining a production plan, will start the most essential phase in the development of the country; that of the sharing of the fruits of the expansion.

It must be mentioned on the other hand that Togo, thanks to the good relations it has with its neighbours, will see a large multinational cement plant erected in the near future.

C.I.M.A.O.* Multinational Company

The realisation of this project which will necessitate many tens of milliards of C.F.A. francs being invested, will be above all a work of international co-operation.

In the near future, Togo will have as partners in the multinational society of West African Cements (C.I.M.A.O.), the Ivory Coast, Ghana and the financial group, Lambert & Brothers. C.I.M.A.O. anticipates the building, in Togo, of a cement factory capable of producing, in its initial phase, 1,200,000 tons of clinker. It is very likely that other West African countries will join the three states to give a truly interafrican dimension to this project of which the World Bank was the first promoter among the international subscribers. The project is made possible by the discovery of rich calcium beds at Avera and at Sikakondji in the south of Togo.

It is within the framework of continuing close friendship which his country has with all the African states that President Eyadéma and his opposite number in Nigeria, General Yakubu Gowon, laid in April 1971, the foundation of a West African Economic Community open to all the countries of West Africa whether they be French-speaking, English speaking or Lusophone. This Community which came into existence on 28th May this year when the leaders of the 15 West African States assembled in Lagos and solemnly signed the treaty, will begin to operate as soon as at least 7 countries have ratified this historic document.

President Eyadéma has always felt that the African countries should be able to transcend all barriers linguistic, cultural, monetary, or any other legacy from the different colonizers. For the Togolese head of State, nothing but economic integration of the African countries would permit to real economic independence which all seek to achieve by every means.

Apart from attending the summit meetings of O.A.U. and the non-aligned countries, President Eyadéma has visited many countries; Egypt, Dahomey, Gabon, Ghana, the Ivory Coast, Libya, Nigeria, Germany, France, North Korea, Peoples Republic of China. Visits during which he forged closer links which unite these countries with his own. In exchange several African heads of State have made state visits to Lomé thus bearing witness of their esteem, friendship and admiration for the Togolese people and its President.

Finally, it must be mentioned that Lomé, the capital, has undergone profound changes; it is eminently endowed with the appropriate facilities for frequent international conferences. This town, which has an immense Congress Hall to seat 3,000, has been able to accommodate the summit meetings of OCAM and UMOA, Union Monétaire Ouest Africain (West African Monetary Union), the conference which saw the signing of the "Lomé Convention", for trade and co-operation between the EEC and the ACP. The meetings of financial ministers from the Frankish zone, and the ministers of education from the French-speaking countries etc....

The towns of the interior do not escape the Government's solicitude. All the main towns of the districts between now and 1976, will be provided with water and electricity. The more important contributions are already provided with regional sanitation centres, high schools, or colleges of further education and other socio-cultural facilities; while most of the villages can be proud of their welfare-centres and primary schools.

After 8 years in power the balance sheet for President Eyadéma's regime is largely positive.

Ayitégan Elo Apedo-Amah

TOGO IN BRIEF

President of the Republic: General Gnassingbé Eyadéma

| | |
|---------------------------------------|--------------------|
| Surface area | 56,000 sq. kms. |
| Growth rate of the PIB | 7% |
| Population | 2 million |
| Annual growth rate of the population | 2.6% |
| Education rate | 52% |
| Gross national product per inhabitant | 35,000 FCFA |
| Budget (receipts 1974) | 16 milliard |
| Budget year 1975 | 30 milliard CFA |
| Chief Products: | |
| Phosphates | 2,400,000 T (1974) |
| Cocoa | 27,000 T |
| Coffee | 13,200 T |
| Palm produce | 15,500 T |
| Cotton | 7,200 T |

Industrial Development

In spite of being in its early stages of development, industry constitutes the most dynamic aspect of the Togolese economy with an average growth rate of 9% per annum at a baseline price.

The range of newly established industries has helped to cut the Import Bill (construction of storage cells, shoe factories, breweries, etc.) and the sophistication of industries for treatment of agricultural produce (starch based products, spinning, weaving and printing, oil, soap, etc.) has undergone considerable expansion since the first development Plan.

The outlook remains encouraging with the mining of phosphates (a 100 million ton reserve, 2½ million ton annual production) of which Togo has just taken control (January 1974): the strata of calcium in Tabigbo (100 million tons), the mining of which will begin in the very near future, the construction of a refinery and a fertilizer factory—moreover the subsoil conceals strata of iron (500 million tons) of chromite, of dolomitic bauxite and uranium which are also to be mined in the near future.

Tourism also constitutes a growing industry in Togo, thanks to its scenic beauty and the variety of its folk lore. The tourist can indulge in a relaxing holiday by the sea, an excursion to the Dayes plateau near Kloti, or a hunting party in the swamps of the north. At his disposal the tourist will have such holiday villages as "Tropicana", internationally acclaimed hotels such as the Hotel de la Paix at Lomé, camping hotels inland which can be very easily reached thanks to the increased modern means of communication.

Europeans help in big task of putting the farmer on better road to market

by Ronald Emley

Ask most agricultural economists why the African farmer prefers to develop the production of export commodities and part of the answer is likely to be that he has no access to domestic markets for his produce. One major cause of the lack of intra-African cooperation and the weakness of intra-African trade is the absence of a basic road infrastructure for transporting farm produce to the nearest market. This generalization may appear too sweeping in the context of the more developed West African nations, but open a map of West Africa and one fact stands out: within the national boundaries most arteries of communication by road, rail or river, run from the interior to the ports. Regional communications, such as they are, are secondary and largely underused.

Given the marked lack of good international transportation in West Africa, how quickly and how much can the new Economic Community of West African States (ECOWAS) do to make use of what it has, and by way of improvement?

The road network is by far the most comprehensive form available but much needs to be done to facilitate east-west movement. While each nation in the new community must make all efforts to improve its own trade routes the problem is international and in that context the United Nations Economic Commission for Africa (ECA) has announced two schemes which will greatly open up

the West African hinterlands to intra-African trade. One is the Atlantic Coast highway from the Mauritania capital of Nouakchott to Lagos, in Nigeria; the other will run along the Sahelian fringe from Dakar in Senegal to Ndjamena near Lake Chad.

The trans-West African highways are in various stages of development. The Atlantic Coast route is fairly well established in places. For instance good roads run between Lagos in the east to Accra but between Abidjan and Guinea-Bissau much improvement will have to be made before the roads can be classified as the international highways that the new community needs.

Last year the ECA meeting on trans-African highways estimated that at least 550 miles of road improvements were needed on the Atlantic Coast route, mostly in the countries least able to finance them.

For instance Sierra Leone has earmarked some £7m this year for road improvements and the ECA estimates that in all about 95 miles of the country's roads need improvement to fit into the Atlantic Coast highway plan. This takes no account of maintenance and regular repair which, the ECA points out, can run at up to 70 per cent of a country's public works budget.

The trans-Sahelian route is an even more difficult venture. This will link six of the countries worst hit by drought over recent years. The international reliability of the route is the greatest difficulty in reaching the most stricken areas because

of the lack of adequate roads.

The six countries through which the road will pass, Senegal, Mali, Upper Volta, Niger, Cameroon and Chad, are among the poorest in the world and certainly the weaker economic links of ECOWAS, but the ECA estimates show that nearly 780 miles of major construction and improvement need to be undertaken before the Dakar-Ndjamena highway can play its full part in opening up the Saharan fringes.

Both the West African international highways are long-term ventures which will need international finance of huge proportions. The European Development Fund has pledged itself to assist in the construction of the Dakar-Ndjamena highway and various European nations are undertaking feasibility studies in specific

France, for instance, has expressed interest in the road junctions at Niamey in Niger, which will be one of the major intersections on the route.

The striking factor of both projected West African highways is the immensity of the undertakings. Not only has the huge amount of financing to be found, but once built the highways will need enormous expenditure for regular maintenance. For instance, one of the major problems facing the trans-Sahelian route will be keeping the road open. Sand storms will bury sections of the road periodically and it seems there is little alternative to having heavy plant (similar to snowploughs)

available to ensure constant access.

On less grandiose scales, but of no less importance, are the road development programmes being undertaken in individual states. Nigeria, for instance, has a comparatively developed road network, but under the third national plan, which began in April, some £2,850m has been allocated for expenditure on the national transport system over the next five years, and the bulk will be spent on improving roads.

The planned result is an increase in federal road mileage from 7,000 to 17,000 miles with the intention of providing a rational and fairly dense network of arterial highways. It is also intended that rural and local authority roads will be developed as links to the national network, thus opening up the areas where agricultural activity is concentrated. Contrast such vast planned expenditure in oil-rich Nigeria with the £7m allocated in Sierra Leone's budget this year for road improvement.

No country in West Africa has anything approaching a railway network of European or North American standards. In general, lines are used for specific purposes, not as part of a network. For instance, Senegal has a line from the capital and main port of Dakar through to Kayes in Mali but this is mainly used to service the phosphate and iron ore mining areas.

The track was built in French colonial days as part of a network for francophone Africa, but since 1970 there

has been a considerable slump in traffic as road transport became increasingly competitive. In all the country has less than 750 miles of railway, most of that single tracked.

In Nigeria the railway network, again largely a legacy of colonial days, has been running at a loss for over a decade. The total track available is over 2,000 miles but most is archaic and restricts speed to 40 mph. A journey from Lagos to Kano (700 miles) can take 30 hours.

Recently Japanese engineers responsible for the world's fastest trains agreed to undertake a pre-feasibility survey of high speed rail travel in Nigeria but with the system as it stands it is unlikely that any such system will be built in the foreseeable future.

Overall it will be better for ECOWAS if expenditure on railways is limited to national needs and capabilities. To think of constructing a major international network can only be a pipe dream for there is simply not enough of a framework on which to build and the cost would be huge, especially at a time when none of the world's major networks is running at near break-even point. The transport infrastructure in West Africa needs huge sums spent on road and port facilities and vast expenditure on railway.

Because each West African state's transport system radiates from the major port, the region does have several quays returning to Europe, but the situation there is notorious. At the port of Lagos/ Apapa traffic jams are a daily occurrence both of lorries waiting to load or unload and of ships waiting to berth. In January delays were so bad (waiting time 25 days) and so long (up to four months) that a joke was doing the rounds in shipping circles that boats passing Lagos could book a place in the queue to return to Europe, load, then return in time to take their place in the queue.



A bus on the new inter-state service in northern Nigeria. Large sums have been allocated in Nigeria for road improvements and extensions.

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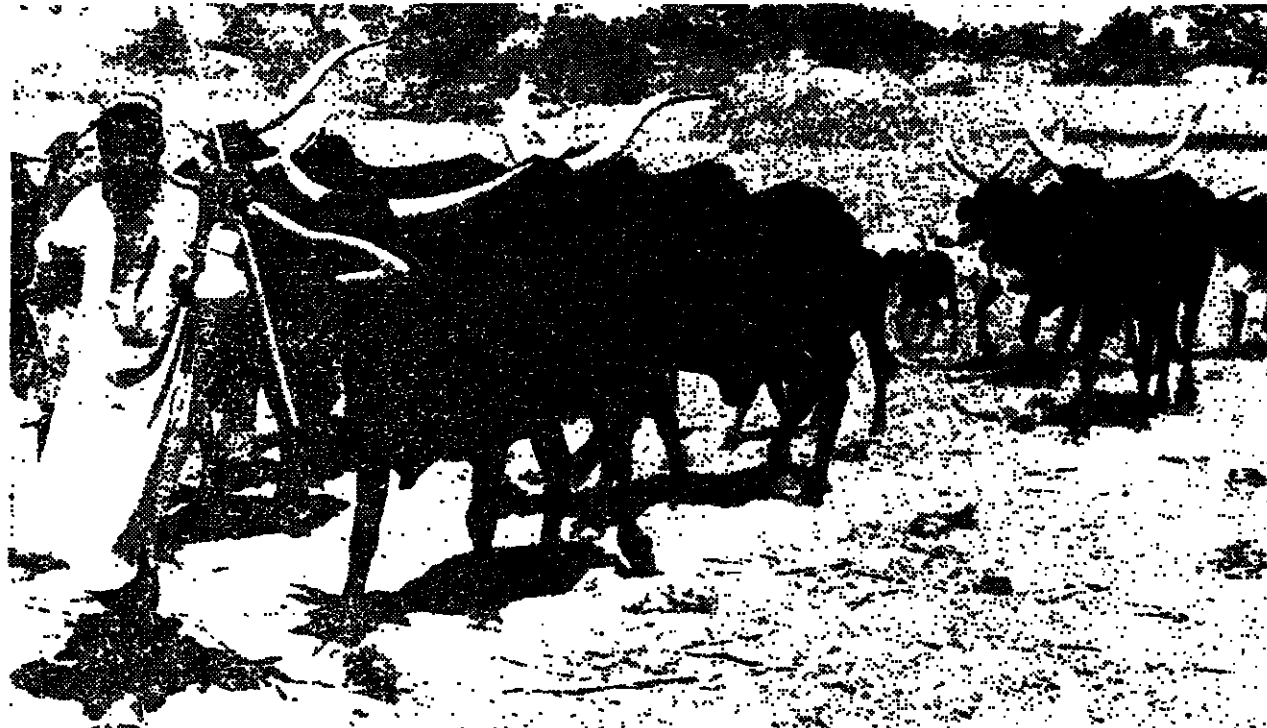
So congested is Lagos/ Apapa that Nigeria has asked a neighbouring country about using the port of Cotonou, only 100 miles to the west, to grow alongside a new free industrial zone being constructed in Senegal. But scale, and in many cases the as Nigeria will be the largest trading partner by far in the more than rudimentary. Massive expenditure on communications, notably roads, greater proportions until recently announced port expansion plans, costing £225m, are complete.

Transport will be one of the most serious problems for the new economic community. Trade must have a network of arteries along which to flow, but in West Africa these routes do not exist on an international scale, and in many cases the national networks are little more than rudimentary. Massive expenditure on communications, notably roads, greater proportions until recently announced port expansion plans, costing £225m, are complete.

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Wealth moves across long and unguarded frontiers strapped to a bicycle



Livestock form an important part of the unofficial trade across the borders of the various countries.

by Godfrey Morrison
editor,
Africa Confidential

A perennial cry at international economic conferences is that the developing countries, such as the West African states, should seek to lessen their dependence on the industrialized countries by stepping up their trade among themselves.

This is easier said than done, of course. In the main the economies of these states are not complementary; they all tend to be producers of primary products and importers of manufactured goods. All the statistics point to the very small size and puny growth rate of intra-African trade. The appearance is that these countries just do not produce what their neighbours want to buy.

The official statistics, however, are very misleading on this. What does not show up in those neat tables, graphs and sets of figures so assiduously prepared by ministries of trade and central banks is what economists politely describe

as "unofficial trade" and what the plain man calls smuggling.

What the statistician cannot document the illiterate can see with his own eyes. A drive along the road from Lagos to Cotonou shows Nigerians wheeling bicycles with large bags of cocoa strapped to the frames. These are on their way to Dahomey, whose authorities are offering a good price and whose markets will then supply consumer goods in demand in Nigeria. Dahomey itself produces little cocoa, although its export statistics suggest that it does. These exports, Nigerian cocoa is mainly

This is just one example of a pattern that persists throughout West Africa. Smuggling in the region is not simply a matter of a few furtive bottles of whisky brought home by returning travellers, or the occasional dead-of-night consignment of cigarettes or cloth: it makes up a substantial proportion of the area's normal commerce. Indeed, if the various governments controls against smuggling achieved a large measure of success, considerable economic dislocation, and probably political unrest, would follow, whatever the immediate economic advantages might be.

President Sékou Touré, of Guinea, is engaged at present in a vigorous campaign to halt the outflow of his country's agricultural produce into neighbouring Sierra Leone and Liberia. However, if the dire threats he has issued and the strengthened border controls he has instituted are successful, Sierra Leone would probably be deprived

of something like half its normal meat supply.

The reasons for the prevalence of smuggling in West Africa are manifold. In the first place, the present national boundaries between states were instituted by the colonial powers with scant regard for traditional trading routes, ethnic boundaries, or even natural physical barriers.

Another problem which makes any physical control of smuggling extremely difficult is the sheer size of the countries involved and the fact that the frontiers are often not controlled, and not even marked. The terrain is difficult and sometimes thickly wooded, which makes border supervision impossible. Finally, in many countries the people who are supposed to be controlling the borders are easily bribed, or sometimes kept on a financial retainer, by the smugglers.

The colonial legacy has acted as a spur to smuggling because of the very different tariff levels traditionally maintained under the French and British administrations. Another factor has been the wide range of currencies in use in West Africa, some being readily convertible and others not.

In general the rule has been that the tougher the import controls and the harsher the exchange controls, the more rapid has been the outward smuggling of agricultural goods, and inward smuggling of manufactures and consumer goods. So in a sense governments trying to manage weak economies have found themselves caught in a vicious circle. The more they try to conserve foreign exchange by rigid physical import controls the more real wealth

has flowed uncontrolled out of the country.

The prevalence and ease with which smugglers can operate has had its effect over a wide range of governments' economic activities. The Ghanaians, for example, have had a number of unhappy experiences in finding the effectiveness of apparently sensible government economic policies lessened or completely thwarted by the actions of smugglers.

Some months ago the Government subsidized a whole range of basic food imports but these were withdrawn when it was found that many of them were being smuggled out to Togo and were being sold in the market at a handsome profit. The Ghana Government in the past couple of years has had considerable success with its programme for boosting agricultural production, called Operation Feed Yourself. However, as far as the Government's own finances are concerned, some of its advantages have been lost through unofficial export of surplus food to neighbouring Upper Volta, where food prices went sky-high during the Sahel drought.

Smuggling has not helped infant industries, even when they have been protected by high tariff walls. Often the West African consumer, like the consumer in other parts of the world, shows a snobbish preference for imported goods, and when imports are banned, the smuggler comes into his own. There have even been cases of locally produced Ghanaian printed cloth being smuggled out to Togo. There it has been stamped with a mark to suggest it comes from Europe. The next stage is for unsuspecting Ghanaian visitors

to Lomé market to buy it, then smuggle it back again to Accra.

The present moves towards economic integration in West Africa will, if they result in a customs union, reduce smuggling. However, they will not necessarily eliminate it, certainly not as long as the convertibility of the various countries' currencies varies so much. A common external tariff against imports from third countries would certainly not of itself do away with unofficial trade.

The large-scale smuggling of diamonds from Sierra Leone to Liberia, for example, is greatly encouraged by the lower export tax on precious stones levied by the Liberians. And, despite the Mano river agreement between the two countries, the Liberians have shown no sign of discouraging the illicit diamond trade: Liberia simply makes too much money out of it.

Not would a customs union have any effect on the wide disparities in the producer prices paid by the various governments for agricultural products. These disparities have been a prime cause of smuggling. The activities of the smugglers have had a certain beneficial effect in that they have introduced a measure of competition between the national government produce-buying agencies and have thus lessened the governments' usual habit of exploiting the farmers by paying them prices considerably below world prices.

Whatever the beneficial effects of the moves towards economic integration in West Africa it looks as if "unofficial trade" will remain a popular activity for several years to come.

Cameroon microcosm of African unity

by Peter Hill

For the past few years there has been a steady trickle of American oilmen in and out of Douala, the commercial capital and main port of Cameroon as the search for oil off the coast has gathered momentum. Although the level of activity falls far short of that across the frontier in Nigeria, the oilmen are convinced that the hinterland coverts of oil and gas made so far are a reasonable guide to bigger finds in the future.

If the exploration and development work taking place produces the results which the companies believe it might, then the economy, particularly that of the former British-administered West Cameroon, would experience a boom. But while President Ahmadou Ahidjo, who is in his eighteenth year in power, is talking already of plans for the construction of an oil refinery and associated industrial projects, they appear to be a little premature.

If and when the oil revenues begin to flow into the coffers in Yaounde, the capital, then President Ahidjo might usefully look over the border to Nigeria and draw some lessons on the management of oil wealth. Equally, the 15 heads of state and ministers who appended their signatures to the treaty establishing the Economic Community of West African States (ECOWAS) might benefit from a study of Cameroon which in many aspects represents a microcosm of African unity and the bridging of the gulf which has separated the anglophone and states of Africa.

During the First World War, French and British troops conquered Cameroon and in 1916 the two countries agreed on a temporary division of the country as a result of which Britain became responsible for about a tenth of the country while the balance controlled by France. In 1922 the Council of the League of Nations formalized the arrangement, deciding that the territory should be a mandate under the League of Nations with the two European powers continuing to hold sway over their respective sectors.

Cameroon continued under League of Nations mandate until the end of the Second World War. In 1946, under the Cameroon Trusteeship Agreement, the territory continued under British and French

administration, but was effectively under the Trusteeship Council of the United Nations. While the French-administered sector had the status of an associated territory, by 1957 there was pressure for independence, led by the Union des Populations Camerounaises (UPC) which also called for the reunification of the areas of the country under British and French control. Although in that year it was granted separate state status by the French, it continued under French trusteeship.

The British Trust Territory of Southern Cameroon was closely connected with the administration in Nigeria until Nigeria's independence in October 1960 but there was agitation for and against reunification with the French trust territories of Cameroon. The Kamerun People's National Convention was strongly for the British-administered area to link with Nigeria, whereas the Kamerun National Party advocated union with the Cameroon Republic.

In 1961 a plebiscite was held in the British Trust Territory of Southern Cameroon under the auspices of the United Nations, the result being that the Southern Cameroon opted for reunification with the former French Cameroon while Northern Cameroon chose union with Nigeria.

How effective have the two fused together? On the surface, considerable progress appears to have been made and officials and diplomats are careful to emphasize: "We talk of harmonization not integration." The old divisions, however, are still there, albeit disappearing. Cameroonians still refer to their colleagues as "French speaking" or "English speaking" as "English

speaking" although the country is moving towards bilingualism with both "colonial" languages being taught from primary school level upwards.

Although there are exceptions, it is generally the case that the higher echelons of the administration are bilingual, French, rather than English, which is a source of some concern to the thwarted English speakers. President Ahidjo's unitary state, born of a peaceful revolution three years ago, reflects the attitudes and aspirations of the man himself who was described succinctly by one diplomat as "the supreme equilibrist".

President Ahidjo has sought to maintain a careful balance in every aspect of national life and the administration, balancing the army against the gendarmerie, for example, and by the release from jail earlier this year of some of his political opponents, including Bishop Albert Ndongmo, whose death sentence in 1971 was later commuted to life imprisonment on charges of rebellion.

In terms of infrastructure the momentum that built up at independence and reunification of the country which brought road and rail links between the former French and British territories, has since slowed considerably.

Government officials emphasize that the who essence of the reunification and the administration has been wide and careful to reflect the desires, that for example, the per code is a synthesis of French and English systems as is the land tenure system. The Civil Service, ever, is firmly based on French pattern.

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The great and prosperous country that Nigeria is today, has enabled it to take its rightful place in the forefront of the discussions and preparations for the Economic Community of West African States.

The historic 15-nation meeting of ECOWAS in Lagos in May, as a prelude to a future of closer co-operation between all countries in West Africa, will be welcomed by all members of the business community.

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The Threshold of Industrial Revolution

Thirty Billion Naira Projects Planned (1 Naira equals £0.70 Sterling)

Address by H. E. General Yakubu Gowon, Head of the Federal Military Government, C-in-C. of the Armed Forces Federal Republic of Nigeria on the occasion of the formal launching of The Third National Development Plan 1975-80, Saturday 29 March 1975

der our Second National Plan, most of the reconstruction necessary as a result of the civil war were concentrated in the field of agriculture most of the farms and plantations abandoned during the war have been rehabilitated and put back to production.

A major problem that beset the manufacturing sector at the beginning of the Second Plan was the need to reconstruct industrial facilities damaged during the war. One is happy to say today as one of the major achievements of the period we are now in a position to say that most of the damaged industrial establishments have been fully re-erected and in some cases, such as the Nkalagu Cement works, initial expansions have either been completed or well way. The manufacturing sector, like all other sectors, used the establishment of new ventures. Two salt refineries at Sapele are soon to go into production, the Peugeot car assembly in Kaduna and the Volkswagen one in have been commissioned and are in production; the phosphate fertilizer plant at Kaduna is under construction. Fishing Trawling Projects are at an advanced stage of implementation and many other projects have had studies started on them for implementation in the Third National

achievement in the field of Education during the Second Plan has been phenomenal. Primary School enrolment stood at 3.5 million in 1970 shot up to 4.5 million by Secondary School enrolment which stood at 343,000 in 1970 nearly doubled reaching a figure of 649,000 by 1974. Tertiary enrolment which stood at 14,500 in 1971 had risen to 25,000 by 1974. These expansions had in turn necessitated the expansion of existing facilities by the Federal and State Governments.

On my National Day broadcast last October, I announced an aggregate investment to be undertaken by the Federal and State Governments in the various sectors of the economy to the order of N20 billion, while the aggregate sector investment programme was estimated at N10 billion. We have planned to achieve under the Third Development Plan can be seen in better perspective when we hear in this Plan that the figure of N30 billion projected for the Third Plan. The Second Plan had a projected capital expenditure of only N3 billion. Although the total capital expenditure under the Second National Development Plan was revised for reasons so that the capital expenditure between 1970-74 to the order of N5.3 billion, the level of expenditure under the Third National Development Plan is of such magnitude that every Nigerian and every foreign investor must find it most commendable that we are to achieve the standard and level of performance that our resources must attain at the end of the period.

Guiding principle is the total commitment of the Federal Government to the provision of equal opportunities for all Nigerians regardless of the place of birth, origin or abode. It is like to emphasize that the development schemes we are embarking upon are the boldest we have ever had. It could be bolder still but for physical constraints and the time of time itself. Since succeeding Plans have to be on the success and failure of preceding ones, our future plans will be bolder only to the extent to which we are able to do so. The Plan we are about to launch, I would now review briefly the Plan sector by sector.

Agriculture and Rural Development

In the field of agriculture and rural development that concern of the Federal and State Governments for the welfare of the individual must manifest itself. Agriculture has been the most important single activity in the economy, it provides gainful opportunities and livelihood for the vast majority of our people while supplying food to the general population and raw materials to industry. From the early 1920s, it was the most important source of foreign exchange and therefore the prime mover of growth and modernization. For the future, it is certain that agriculture will continue to come continue to be the occupation in which the majority of our people will be engaged.

It follows therefore that any serious effort to improve the standard of living of our citizens must of necessity give the highest priority to agriculture and rural development. N2.2 billion has been allocated to agricultural projects in the Third Plan. This will make it possible for farmers to obtain seeds, pesticides, and other agricultural inputs at heavily subsidized prices. In addition, tractor hire services and land reclamation schemes will be expanded and financed as an integral part of agricultural production. In order to bring the facilities closer to the farmer for whose benefit the Agricultural Bank was established, the bank will set up branches in various parts of the country. Accordingly, Government will make available to the Bank over the next five years as much resources as the Bank can usefully and effectively to individual farmers, groups of farmers, agricultural unions and co-operatives.

It is my conviction that assistance to the farmer by way of subsidised inputs and credit will yield for the farmer a production, if the farmer is to derive higher incomes. Government plans that he should receive from his land output, he must be in a position to store his crops, he must be able to get them to the market. The Plan therefore provides for bold schemes for storage facilities for farm-to-market roads in the rural areas. Strategic reserves are being set up in every part of the country. The Federal Government took over Trunk B roads, state governments, the intention being that having been freed of the financial burden over Trunk B roads the state governments in turn, will be able to take over some of the local and local authority roads. Most of these roads, particularly those in the rural areas, have been scheduled for reconstruction during the Third Plan period.

provision of credit, monetary incentives and supporting



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services to the farmer constitute only one of the two elements in the strategy adopted for agricultural development in the Plan. The second is direct government investment in large-scale plantations, land development and irrigation schemes. It is necessary to supplement the farmer's efforts in these ways if we as a nation must become fully self-reliant in the supply of food to our large and growing population.

Education

The total Government expenditure for the Education Sector during the Plan period will be over N2.5 billion. As already announced last year, the Universal Free Primary Education Scheme will commence in September 1976. The Scheme when fully implemented will provide equal educational opportunities for all Nigerians irrespective of where they live in the country. Under the Scheme, Primary School enrolment which now stands at about 4.5 million will rise to 11.5 million by 1980. This will call for great effort in the provision of physical facilities and the inadequacy of existing facilities in terms of quantity and quality. In order to remove this obstacle, government has decided during the Plan period to undertake a major programme of improvement of and expansion of existing schools. In order to achieve a wider spread of Secondary School facilities, however, about 800 new secondary schools will be opened throughout the country during the Plan period. With regard to University Education, it is intended to more than double the present enrolment during the Plan period. Accordingly, university enrolment which now stands at about 23,000 will increase to about 53,000 by 1980. This will call for the expansion and consolidation of the existing universities. Government has also decided to establish four other new universities under the Plan. In pursuing the university programme care will be taken to ensure that the pattern of enrolment accords with the manpower needs of the nation.

The trend of government policy on education is clearly in the direction of free education at all levels—primary, secondary and university. I should like to stress that this does not mean that education will be free at all levels tomorrow or next year or the year after. We have started with Universal Free Primary Education, we shall gain some experience from the scheme which would certainly affect future policy on education. All I can say is that just as government decided to make primary education free when it felt sure that it could take on that burden so will it keep the existing education policies under review and take from time to time decisions in the best interest of the nation.

In respect of Secondary Schools, government has decided to bring some measure of immediate relief to those who now bear the burden of high secondary school fees. Government has decided that with effect from the next school year all tuition and boarding fees will be reduced in all secondary schools to the level of the lowest fees currently charged at Federal Government Secondary Schools. University education is already very heavily subsidised by government. Government will continue to pursue its policy whereby deserving students in financial difficulties are assisted by way of scholarship, bursaries and loan schemes.

Health

Hitherto, limitations of resources of manpower shortage have not made it possible to provide the level of health care that Government would consider adequate for our people. In this Plan period, a total of about N700 million has been allocated for Health Programme. Government has decided under the programme to introduce a Basic Health Scheme which will bring curative and preventive medical care within relatively easier reach of the general population. The eradication and control of preventable diseases such as smallpox, malaria and tuberculosis, will engage the attention of the health authorities more than ever before. Regarding malaria, in particular, Government has allocated N20 million for the first phase of its Malaria Eradication Programme.

No matter how comprehensive and effective our preventive services may be, the need for improved and expanded curative facilities will continue to grow. Consequently, an ambitious programme has been drawn up for curative services in the

Plan. In 1974 we had in the country about 5,000 health establishments of all categories, with a total of 43,000 beds. During the five-year Plan period, we plan to set up over 5,000 new health institutions, with a total bed complement of about 90,000. We plan also to establish, staff and equip 12 new teaching hospitals, 110 new general hospitals, 1,400 health centres and 6,000 health clinics. An important feature of the health programme is the provision of 1,500 mobile health clinics for rural settlements which may be too remote or widely dispersed to have their own health institutions.

Industry

The industrial programme in this Plan it is hoped, will constitute a turning point in the history of our industrial development. Hitherto, manufacturing industry in Nigeria has been concerned principally with the production of light consumer goods such as beer, soft drinks, cigarettes, shoes and textiles. The nation is now on the threshold of an industrial revolution which will be characterized by the production of consumer durables such as motor cars, and capital goods such as trucks, iron and steel and petrochemicals.

The iron and steel project which appeared in our First and Second National Plans will definitely be implemented during the Third Plan period. It is our expectation that if our implementation schedule is fulfilled, the steel complex should reach the production stage by 1980 or soon thereafter. The blast furnace mill proposed at Ajaokuta will have a capacity of 1.5 million metric tons of pig iron per year. A tentative allocation of N800 million has been made for this project. Since our annual demand for steel is likely to be as high as 3.5 million tons by 1980, it has been decided that the Ajaokuta blast furnace facility should be supplemented with two direct reduction plants, each with a capacity of 500,000 tons. Thus, the three steel factories to be established by Government in the next five years, should be able to supply the bulk of our requirements of steel and steel products.

Other areas in which Government intends to make sustained effort in the Plan period include those of Liquefied Natural Gas, Fertilizer and Petrochemicals. Two liquefied Natural Gas Plants, each with a capacity of one million cubic feet per day, will be built early in the Plan period. A petrochemical complex and a nitrogenous fertilizer plant will also be established to utilize the country's abundant natural gas. When completed, these three projects will absorb the associated gas produced in our oil fields and thus bring to an end the wasteful flaring of this important national resource.

Government plans to establish two petroleum refineries at Warri and Kaduna. It also plans to expand the Port Harcourt Refinery. For these projects a sum of N950 million has been allocated. The total capacity of the three refineries when completed will be 250,000 barrels per day. In furtherance of our policy of upgrading primary products before they are exported, Government will establish two export oriented refineries each with a capacity of 3,000,000 barrels per day at a total cost of about N780 million. This will be a guarantee against domestic shortages as the refined products of these refineries can always be diverted to meet domestic needs when necessary.

When the Port Harcourt refinery was designed the nation was assured that its products would meet Nigeria's needs well into the 1980s. This we all know to put it mildly has proved not to be the case. The greater proportion of the petroleum products consumed in Nigeria still has to be imported because the Port Harcourt refinery cannot meet our needs. As a stop gap before the new refineries proposed come into production, Government has already decided to install a number of skid-mounted mobile refineries capable of refining at least 5,000 barrels of oil daily. A skid-mounted mobile refinery capable of refining 20,000 barrels of crude oil per day has been approved for the Port Harcourt refinery. This and other smaller ones should be installed within the next few months at various well-points in the oil producing areas.

Oil shortages are experienced from time to time in parts of the country even when there is enough supply in the country to meet demand. On such occasions, shortage is usually caused by distribution problems. In order to minimize such occurrences in the future, Government proposes to construct oil pipelines from Warri to Kaduna, from Port Harcourt to Enugu, and from Warri to Ibadan or Abeokuta. The Warri-Kaduna pipeline will be used initially to transport products but on the completion of the Kaduna refinery, it will be converted into a crude pipeline which will supply crude oil to that refinery. A total of N350 million has been allocated for this piping programme.

Roads

As in the past, the Transport Sector will have the largest share of investment resources during the Third Plan period. Over N7 billion has been allocated to the sector. An important highlight of the transport programme is the substantial increase in the Federal road mileage from about 7,000 kilometres or 4,375 miles to approximately 30,000 kilometres or 18,750 miles, as a result of the take-over of Trunk B roads from state governments. The state governments will now be able to take over some Trunk C and local authority roads and so bring the benefit of good roads to remote areas within the states. The objective of government in its road programme is to provide the nation with a dense network of high quality arterial highways able to bear its anticipated increase in the movement of goods and persons across the country. Some of the major arterial highways will be dualled during the Plan period and a number of north/south as well as east/west trunk roads will be constructed in furtherance of our objective of bringing the various parts of the country closer together for the overall economic and social benefit of the nation.

Rail

The problems of the Nigerian Railway Corporation are well known. I will therefore not enumerate them in this address. Suffice it to say that a total of N885 million has been allocated to railway development and a bold new effort will be made to grapple with the well known problems of the Nigerian Railways Corporation during the Plan period. This will include the commencement of the complete reconstruction of the nation's railway system to modern standards using the wider 1.43 metre standard gauge. About 1,000 kilometres of new track will be constructed in 1975-80 period and the full reconstruction is expected to be completed in about 10-15 years. Whilst the reconstruction is in progress, a number of remedial measures will continue to be taken to improve the operational efficiency of the Corporation.

Ports

I now turn to the Port Development Programme for which a total of N262 million has been allocated. You must be waiting anxiously to hear what the Plan has to offer as an answer to the bunting and congestion problem at the ports. Already the responsible agencies of Government are pursuing vigorously short-term measures for coping with the present emergency. These include utilising port facilities in neighbouring African countries, the use of lighters and barges for mid-stream off-loading and the provision of more and better mechanical handling equipment at the ports. But the permanent solution lies in the construction of additional berthing facilities and this we propose to do in the next few years. Due to physical limitations at Apapa, only six new berths can be built at that location. The contract for the construction of these additional berths has already been awarded. Furthermore, four new berths will be provided in each of the ports at Warri, Calabar, and Port



GENERAL YAKUBU GOWON, Head of The Federal Military Government

Harcourt. It is, of course, obvious that the additions of eighteen new berths to the existing stock will be inadequate for the projected level of traffic in 1980 and beyond. Provision has therefore been made for the construction of new port facilities in new locations which are under active consideration. Our aim is to create excess port facilities as a means of avoiding the expensive and frustrating delays currently being experienced at our major ports, which can adversely affect the implementation of this Plan and future ones.

Air Transport

Under the Plan, a total of N537 million has been provided for the Airways and Aviation programmes. In the Airways programme urgent attention will be given to the development of the domestic and West African routes. For this purpose, seven new aircraft will be purchased and put into operation early in the Third Plan period. Moreover in order to enable the Nigerian Airways extend its services to all parts of the country and make optimum use of its aircraft capacity, seventeen modern airports will be constructed between now and 1980. As these programmes are progressively implemented, Government will review the level and structure of air fares with a view to bringing air travel within the reach of the average Nigerian.

Power

At the present time the level of power generation and consumption in Nigeria is of the order of 474 megawatts. This figure, it must be said, does not include suppressed demand which cannot be met due to generating and distribution limitations. In the course of the Third Plan period, an additional capacity of 1,000 megawatts will be installed and integrated into the national grid so that by 1980 electric power supply will be three times its present level. As already indicated in my National Day Speech of 1st October, 1974, distribution facilities will be substantially improved and expanded to ensure that interruptions in power supply are eliminated or, at least, reduced to tolerable proportions. Services to rural areas will increase substantially. By the end of 1977 it is expected that the National Electric Power Authority (NEPA) rural electrification scheme would have connected about 250 rural communities to the national grid. In addition, the state governments have allocated nearly N150 million for their rural electrification programmes.

Urban Development

One of the greatest problems inherited from our past concerns the problem of our cities. Nigeria's major urban centres constitute the hub of the nation's industrial and commercial activities as well as being important centres of government and administration. Consequently, the efficiency with which they are managed has far reaching effects on the overall performance of the economy. Most of our important cities have grown very rapidly with little or no planning. Their services have had suddenly to cope with levels of activity undreamt of a few years ago. These services have therefore become grossly inadequate. A great deal of imagination will be required to bring them to the standard of efficiency that will make them pleasant to live in rather than being the mud house that some of them appear to have become in recent years. In the Third Plan we shall make a serious beginning with the provision of water, housing, sewerage and rapid internal transit systems. The housing problem is probably the most serious of all our urban problems. This is reflected in the poor quality and high rents of most of our urban dwellings. The planned objective is to achieve a significant increase in housing supply in order to bring relief to the low income earners. A total of N1.8 billion has been allocated to this sector. The programme involves both direct construction by Federal and State Governments and an expansion of credit facilities through the creation of a mortgage bank for private and semi-private housing development.

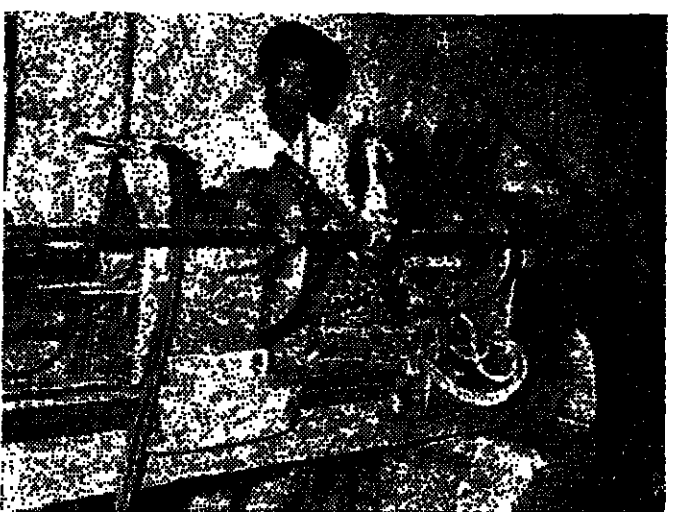
Private Sector

The Third National Development Plan offers to our indigenous entrepreneurs and to private foreign investors, a tremendous opportunity to play an important part in the development of the Nigerian Economy. The expected level of private investment over the next five years is N10 billion. Private investment activity is welcome in most sectors of the economy, especially in agriculture, manufacturing and building and construction. To play this role, the private sector will have to shift its emphasis from commerce and distribution to direct production in industry and active participation in the land development and irrigation schemes in agriculture.

With regard to industrialisation, the Plan period should be regarded as a period of consolidation so that the changes in the equity structure brought about by the Nigerian Enterprises Promotion Decree can be reflected, not only in the Board Room but also in the management and policy positions in industry. Government has done a great deal already in recent years to free the Nigerian businessman from many of the difficulties which were put in his way by better organised foreign rivals. If the Nigerian businessman is to fully justify the measures taken by government to encourage him, he must be prepared to go into directly productive activities in industry, agriculture and related fields. It is government's hope that the new Nigerian businessman will seek to make his mark in the organisation of corporate businesses aimed at the creation of new productive assets. I hardly need to add that the foreign businessmen in our midst are as welcome as ever before in the fields which have been clearly defined by law. It is the hope of government that in the promotion of their business activities they will seek to involve competent and reputable Nigerians rather than from men who claim to have influence with governments and government functionaries.

Far left, A Carpet Factory

Below, Glass Blowing at the F.D.A., Enugu



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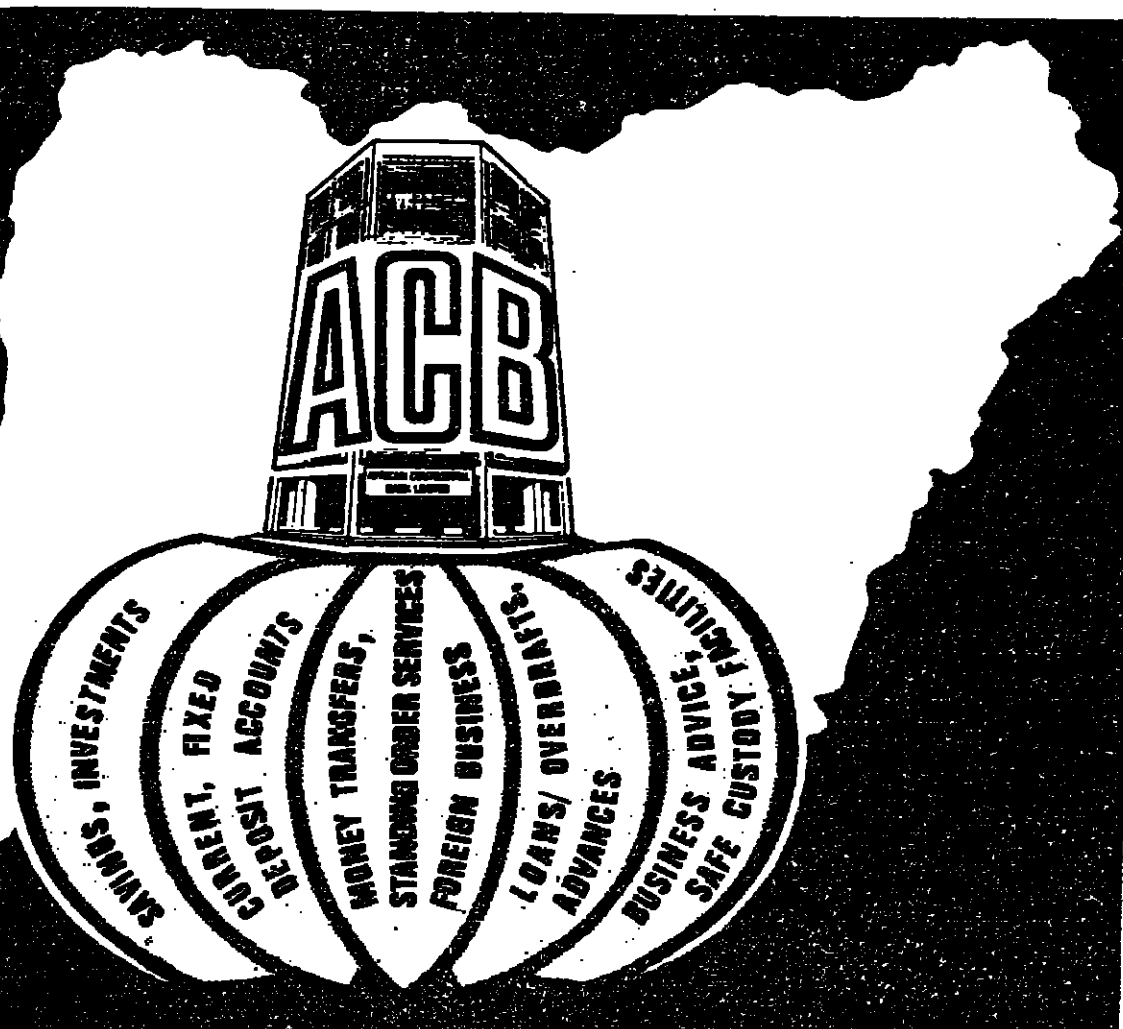
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Peter Hill looks at Nigeria, the giant of West Africa, while Alan Rake discusses its growing economic involvement in neighbouring countries

New era marred by technical hitches

In the same week that government leaders from 15 West African countries were adding their signatures to the Economic Community of West African States (ECOWAS), people living in Abeokuta, near Lagos, were busy collecting rain water. They have been without piped supplies since the end of last year.

As the heads of state and their entourage dispersed to their various capitals, from the luxury of the Federal Palace Hotel in Lagos, the residents of Badagry, along the coast from the capital, endured a rainstorm and a breakdown in electricity supplies.

Such breakdowns in supplies of water and electricity have become an accepted feature of daily life in Nigeria. These often appalling shortages in black Africa's richest country provide a sharp contrast to the fine words and spirited speeches of the ECOWAS signatories as they welcomed a new era of economic growth and prosperity.

Nigeria has played, and will continue to play, a leading role in the translation of the ECOWAS's statements of intent into reality, but clearly much yet remains to be done in Nigeria, let alone in the sub-region.

As one Nigerian journalist observed wryly after the signing of the charter, "Even though Ghana is supposed to possess a dam that can conveniently supply power to the whole sub-region, if that country is infected by Nigeria's national electric power authority, we may wake up one day to find the 15 member countries in a total blackout."

Certainly there are major difficulties to be overcome and the road to the summit in Lagos last month has been long and arduous. The

first aspirations towards economic cooperation in West Africa date back to the early 1960s as countries successively achieved their political independence. Since then the efforts have been frustrated by clashes between personalities, intrigues, distrust between francophone and anglophone countries, and fears of political domination.

The credit for bringing together the 15 countries is due largely to Nigeria's head of state, General Yakubu Gowon and the President of Togo, General Gnassingbe Eyadema, during the past three years. The community will bring together some 124 million people and, given political stability, should transform the region into a successful economic entity bringing benefits to everyone.

Nigeria, with about 70 million people, much more than the combined population of the other 14 ECOWAS member countries together, has already made it clear that in partnership with Togo it will promote the further development of the ECOWAS, particularly in establishing the machinery which will enable the community to move forward. In the past there have been justifiable doubts both inside and outside Nigeria as to what role the country would play and what benefits it would derive.

The fact that Nigeria is intimately involved and is pursuing the isolationist policy, which its immense wealth compared with its neighbours would allow, has been a source of concern to its partners in the community.

Oil has transformed the Nigerian economy within a short period. In December last year, oil company payments to the Government amounted to N719.5m, three times the level of payments

made in December 1973. Nigeria had a cumulative trade surplus of N4,301.5m, compared with a figure of N588.2m in 1973. The country's foreign exchange holdings at the end of last year amounted to N3,496.2m.

Earlier this year Nigeria embarked on its third national development plan, which preceded it by a colossal margin. It will involve the expenditure of some £20,000m (N30,000m) over the plan period to the end of this decade, which compares with an investment of N3,000m in the previous period.

Under the plan, exports of oil are projected to rise to N10,500m in 1970-80 (last year N6,400m), while imports are scheduled to rise to N7,100m by the end of the plan period.

Nigeria's gross domestic product is projected to double at current prices in the next five years, while real income per capita is scheduled to rise by about 34 per cent over the five-year period, effectively doubling the standard of living of the average Nigerian.

This ambitious programme is going to pose problems for Nigeria because of the shortage of skilled management and manpower, although the problems have been recognised and reflected in the relaxation of expatriate quotas where appropriate.

Without Nigeria, therefore, the ECOWAS would lack substance. However, General Gowon and his aides have already made it clear that Nigeria will play its role in the community as an equal partner with every one of the other member countries in the achievement of the treaty's provisions for cooperation in

trade, agriculture, commerce, industry and finance. Particularly important is the provision for large-scale joint industrial projects, including the establishment of the plants for the assembly of motor vehicles and electric irons and steel composites under which members of ECOWAS would have equal shares. This aspect of the treaty has a significant relevance for Nigeria because under the third development plan about N1,041m has been earmarked for the construction of a blast furnace complex at Ajakuta with a capacity of 1,500,000 tonnes and two direct reduction plants designed to produce a total of a further million tonnes. At the same time Guinea has aspirations for an iron and steel complex, to use indigenous iron ore, some of which will be transported to Nigeria.

Nigeria's role in the shaping and development of the community from a position of economic strength at the political and diplomatic level will be buttressed by the country's aggressive and growing indigenous business community, which over several years has been promoting greater trade and participation among the countries of West Africa.

Chief Henry Fajemirokun, Nigeria's leading private sector spokesman and first president of the Federation of West African Chambers of Commerce established two and a half years ago, regards the progress made on the commercial front as an auspicious omen for the future of ECOWAS.

"By signing the treaty there is no doubt that Nigeria will be called upon to play a considerable role in assisting its sister countries in West Africa, but this will not involve Nigerian domination," he said.

Cash surplus will help neighbours

Despite its nickname as the giant of Africa, Nigeria has played a small part in the economic affairs of its neighbours until recent times.

Politically it has been eager, as it showed by forming the nucleus for the Economic Community of West Africa as early as July 1972; but this interest has been tempered by a reluctance to throw its weight around lest it appear to be dominating its smaller and less fortunate neighbours.

There has also been an economic problem. Nigeria was bankrupted by the civil war, then it was faced with a massive national rehabilitation programme. The oil began to flow, but Nigeria did not generate a surplus of petrodollars until autumn 1973, when it shared in the around Opec oil price increases.

The real surpluses did not begin to flow until this year. When they became available they were almost all immediately allocated to financing the massive N30,000m five-year development plan.

But paradoxically Nigeria's ambition to grow at a huge rate of 11.7 per cent a year is one of the fundamental economic reasons why it needs to broaden its relations with its West African neighbours. Nigeria is already running into many administrative, managerial and physical bottlenecks in the execution of its plan, and it is finding it difficult to spend all its funds internally.

This year General Gowon has visited several of his neighbours and showed a keen interest in helping them, while at the same time taking some pressure off the over-congested Nigerian economy. In January he visited Dahomey and Togo (the cofounder of the West African economic community idea). In both countries agreements were reached to set up joint projects.

One plan is to set up jointly-owned sugar and cement complexes, both located in Dahomey, less than 100 miles from rich Nigerian markets. Nigeria is to invest N20m in the sugar project and take 30 per cent of the equity in the cement project. In practice Nigeria will supply most of the land and the staff to run the projects. But the real bonus is that Nigeria will provide an assured market for all the cement and sugar that can be produced so that industries of a large and economic size can be established.

In effect this means that Nigeria is helping Dahomey, while helping itself to avoid its own congestion problems. Dahomey has more unemployment among skilled staff and a labour force keen to find productive work.

Togo is going ahead with a new £15m oil refinery which should be ready in 1977, well before the long-awaited Nigerian refineries at Warri and Kaduna are ready. Togo will exchange its phosphates, which Nigeria badly needs for fertilizer, for Nigerian crude oil and as the Togolese refinery plans are so far advanced Togo could well help to bridge the Nigerian petroleum gap.

Nigeria's main African customer for its crude is the Ivory Coast (followed by Sierra Leone and Ghana) and it plans to participate in a new refinery project in that country. When Nigeria completes its own oil refinery at Kaduna at the end of the current five-year plan, it will be in a position to supply Niger and Chad with refined oil at prices cheaper than the present coastal refineries.

In 1973 Nigeria concluded a series of agreements with Dahomey and Togo to remove transit taxes on goods moving through these countries. This paved the way for the extensive use of Dahomey's Cotonou port to bring vital building material and cement supplies to Nigeria at the height of the Lagos port congestion.

Lorries carrying the cement were rolling 24 hours a day down the new highway from Porto Novo to Idiroko on the Nigerian border, a road costing N2.7m and especially constructed to improve economic cooperation between the two countries.

Other regional transport links have been made with Niger. Nigeria's northern neighbour. Traditionally Nigeria has been Niger's largest African market especially for cattle which are driven on the hoof to Nigerian abattoirs. But recently cooperation has been extended. The Niger River can now be navigated from Gaya in Nigeria the whole length of the river to Port Harcourt on the coast.

The Canadian Government has lent \$1.3m for barges and tugs to operate river services, while the two African governments have tackled the question of tariffs for surplus contributions have been made to the World Bank (\$240m), the International Monetary Fund (\$120m) and the African Development fund is yet being organized.

But there were many signs in selling oil cheaply. In the first place, neither Nigeria nor any of its African neighbours have the tankers or the oil trade knowledge to transport the crude to their countries. Many African countries do not have oil refineries and those that do are not always geared to the use of Nigerian crude.

Thus, even if Nigeria had insisted that subsidized oil was the way to help its African brothers, it would have led to inequities and distribution problems. But in the end it was Opec which finally prevented Nigeria from going ahead with its plan.

Nigeria's Commissioner for Mines and Power was told that Nigeria could not run a two-tier price system as a member of Opec. He said that Nigeria could instead grant soft loans and subsidies to needy and friendly developing countries. There is no indication that any such already agreed joint rates

for transport and storage facilities. Canada will also build the transmission cable which Nigeria's hydroelectric dam to supply power to Niger. Canada, has always been foremost in sponsoring joint projects between English and French speaking parts of Africa.

In a recent address General Gowon spoke of his desire to share the benefits from Nigerian projects with other African countries in the spirit of good neighbourliness.

He was summing up the trade and cooperation agreements that have been signed in recent years with the Ivory Coast, Guinea, Sierra Leone and Swaziland. A unique example of inter-African multi-national investment was when Nigeria and five other African countries took shareholdings in the Mifengu-Nimba and Simandou iron ore companies in Guinea. Nigeria's investment was N65,800 for a 5 per cent interest which is expected to yield at least a million tonnes of ore annually. This could be processed in the Nigerian iron and steel project now started at Ajakuta.

In terms of pure aid to African neighbours, Nigeria has not done much on a bilateral basis. It gave £2m in drought relief during the 1974 crisis to its drought-stricken northern neighbours and it has made small financial grants to Niger, Togo, and Dahomey.

But Nigeria's major oil trade surplus contributions have been to the World Bank (\$240m), the International Monetary Fund (\$120m) and the African Development fund is yet being organized.



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to reach him not later than August 30, 1975.

Rivers can transcend frontiers and encourage cooperation

by Godfrey Morrison

Before and even during the colonial era West Africa's great rivers such as the Niger, the Volta, the Senegal and the Gambia served as the region's main highways and trade routes. Their importance remains today. They still provide vital communications, an important source of water for irrigation, and are an actual or potential source of hydroelectric power.

Since West Africa's great rivers are no respecters of man-made frontiers they also provide a practical means for sub-regional economic co-operation; and, while slogans about African unity are easy to shout, cooperation in the management of a river's resources and the development of its economic potential provides a real test of African states' will to work together in a practical manner.

One of the most important of the riverain bodies, the Organization for the Development of the Senegal River, usually referred to by its French language acronym, OMVS, has a history which illustrates both the advantages of international cooperation on riverine matters and the political difficulties which almost inevitably arise.

The OMVS was formed in March 1972 by Mali, Mauritania, and Senegal to replace the former Inter-State Committee for the Senegal River Basin. The former organization, whose practical aims were similar to those of the present OMVS, ran into difficulties almost from birth. However, what finally killed it was a political dispute between Guinea and Senegal.

The heart of this dispute, which included mutual accusations of plots to overthrow the respective governments, was the wide ideological gulf between President Sékou Touré's extreme left-wing regime in Guinea and the much more moderate political stance of President Léopold Senghor's regime in Senegal.

When the OMVS was formed without Guinea it was decided to keep it as an organization with purely practical and economic aims. The former body had aimed at cooperation over a wide area and had included provision for political consultation and cooperation.

In a sense the OMVS is thus less ambitious than its predecessor and simply concentrates on the development of the Senegal river. Under its convention the Senegal river was declared an international waterway and the agreement could not be denounced by any of the members for 10 years.

The main immediate aim of the OMVS is to control the river's waters by means of two vast dams. One dam

Bridge over the river Niger, Central Nigeria. Pots are brought up river for transport by road.

would be on the lower part of the river at Diama. This would aid navigation, but its main purpose would be agricultural; between St. Louis and Podor 148,000 acres of new cropland would be made available as well as an additional 237,000 acres of grassland. Development of ports at St. Louis and Kayes are also planned.

The upper dam would be at Manantali and would produce hydroelectric power which would enable gold, copper, iron ore and other mineral deposits existing in this area on both sides of the Mali-Senegal frontier to be exploited.

The importance of the whole project, and its urgency, have been heightened for all three of the participating states by the poor rainfall the whole area has been suffering in recent years. Any new source of irrigated land is a high priority, and the huge rise in the price of oil-based energy makes the Manantali project even more attractive.

In July last year the three countries' representatives met about 20 international financial bodies and interested countries to work out financing the projects. Among these were some of the oil-rich Arab states which will almost certainly play a major role, particularly since Mali, Mauritania and Senegal are all predominantly Muslim states. However, western finance and technology will also play an important part. In March M. Amadou Mamadou Diop, the chairman of the OMVS, announced that the organization had decided to accept the plans for the Manantali dam proposed by Chinese experts. Under these plans the dam will produce 771 kwh and will irrigate more than a million acres growing two crops a year.

The dam will take 10 years to complete and M. Diop said it was probable the Chinese would provide the finance. If they do, it will be Peking's most important economic initiative in Africa since their agreement to build the Tanzam railway.

So the outlook for the OMVS and its projects now looks promising. The fact that in the past few years there have been no serious political disputes between the three states involved has undoubtedly helped. However, the danger of political difficulties interfering with mutual economic advantage is always there.

Earlier this month, for example, it was reported that secret talks were going on to defuse a potentially dangerous dispute between Senegal and Mauritania. The dispute's relevance to the proper functioning of the OMVS was obvious since it revolved around rival claims to Todd Island, a small strip of land in the Senegal River on Senegal's frontier with Mauritania.

Other riverain organizations in West Africa exist though they do not have such far-reaching development projects under consideration as the OMVS.

The Niger River Commission, which was created in 1964, groups Cameroon, Chad, Dahomey, Guinea, Ivory Coast, Mali, Niger, Nigeria and Upper Volta. Its effectiveness has been hampered by political disagreements between Guinea and Ivory Coast, both of which were absent from a Council of Ministers meeting in April.

Where man and nature maintain delicate balance

by David Williams

Among associations to which member states of the Economic Community of West African States (ECOWAS) can belong, so long as membership does not "damage the provisions" of the ECOWAS treaty, is the Lake Chad basin commission. The wide depression which is the basin of Lake Chad, a shallow "puddle" of fluctuating area and of ancient origin, covers territory in four states—Cameroon, Chad, Niger and Nigeria, the first two being outside ECOWAS.

But the area—the lake itself is a mass of islands, many consisting of floating rafts of vegetation—is ecologically and to some degree ethnically one, and the hydrological balance is delicate. It was there that Thor Heyerdahl went to study the local reed boats before building his Ra to cross the Atlantic, and from where Abdullah Djibrine joined him as papyrus expert in his crew.

As early as 1952 a United Nations resolution urged international cooperation in the use of the lake's water, which ranges in area from 22,000 sq km down to 13,000 sq km according to the amount of water fed into it by four rivers (it has no outlet). In 1964 the four lacustrine states established the commission, whose responsibilities go far beyond hydrology and include agriculture and economic development in general, and care of flora and fauna—the latter including varieties of large edible fish, as well as a range of creatures from zooplankton to large elephants.

Joint research programmes

Each state undertakes to consult the others before carrying out in the basin under its control hydraulic works or soil schemes likely to have an appreciable effect on the flow of surface or subterranean water in the basin. The commission was to collect, evaluate, and disseminate information on proposals made by member states and to recommend plans for common projects and joint research programmes in the basin; and to ensure the most efficient use of the water.

The commission was also to draw up common rules covering navigation and transport; to examine complaints and settle disputes among the state members; and generally to supervise and carry out the provisions of the convention establishing it.

The United Nations Development Programme has contributed \$3m to a water resources survey; the United States Agency for International Development has contributed to road development in the basin and to telecommunications studies; France has contributed to a tsetse eradication study; there is also outside assistance for an animal husbandry project.

All outside donors have been encouraged by the existence of machinery for cooperation between the



The cover of zoologist Sylvia Sikes's book shows Lake Chad fishermen in their papyrus canoes. Thor Heyerdahl studied these craft before building the Ra to cross the Atlantic.

four states. The four states are all immense in area, Chad, which had receded some 40 miles from Baga, where the road from the state capital, Maiduguri, normally met the water. There had been a serious loss of fish, although the trade was far from dead.

Lorries still ventured out on to the dry flats, using their own steel tracks to meet the fishermen and using Maiduguri as an entrepôt to distribute the fish to the south. There is now in Maiduguri a sort of Billingsgate established by the local authority as a special fish market where many of the traders and transporters are from the distant East. Central state Much of the Lake Chad catch, in any case, has always been wasted because there has been no way of preserving the fish. One of the commission's tasks is to assist government agencies to introduce new methods of preparation.

I was told that the lake had not receded so far since 1914. The abundant rains of last season have restored Nigeria's North-East state in the position somewhat. But

the damage done to the will" while applying blocks and herds may take a trawls and economic long time to repair, and the cipline.

The question remains answered and it is too s to answer it. Not only governments and their a cies but the indigenous peoples have to show "wil restraint" if the work commission is to be successful. For most pe mission, with its "ready there are still no sci and literacy and techn economic data, technical skill are at a low level. advisers, and all the funds the cooperation of all and instruments necessary lake and island dwellers for the application of desir essential if this area wh able and necessary techn the balance between n ques" asked: whether it and nature is so delicate could "harness human good to survive and prosper."

1973 I failed to find Lake Chad, which had receded some 40 miles from Baga, where the road from the state capital, Maiduguri, normally met the water. There had been a serious loss of fish, although the trade was far from dead. Lorries still ventured out on to the dry flats, using their own steel tracks to meet the fishermen and using Maiduguri as an entrepôt to distribute the fish to the south. There is now in Maiduguri a sort of Billingsgate established by the local authority as a special fish market where many of the traders and transporters are from the distant East. Central state Much of the Lake Chad catch, in any case, has always been wasted because there has been no way of preserving the fish. One of the commission's tasks is to assist government agencies to introduce new methods of preparation. I was told that the lake had not receded so far since 1914. The abundant rains of last season have restored Nigeria's North-East state in the position somewhat. But

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With such experience as this, it is perhaps not surprising that contracts currently being worked on total over £60m.

Among them are the new offices for the British High Commission on Victoria Island, Lagos. Worth £1.2m, it was awarded by the Property Services Agency of the Department of the Environment.

Then there is the construction of Nocom House on Lagos Island for Nigerian External Telecommunications. At 37 storeys, this will be the tallest office block in Lagos.

Not so high, but nonetheless a contract worth £5m, is the ten storey podium block for the new Secretariat at Port Harcourt.

Looking to the north there is a 528 bed hospital under construction at Maiduguri, a road building programme and an extension to the Sokoto water supply scheme.

And in a totally different vein are the civil engineering works for extensions at Nkalgu Cement Works and Nglo Quarry for the Nigerian Cement Company Ltd.

These are just a few of the examples of our present work in Nigeria. If you would like more details of our activities in West Africa—or anywhere else in the world—please don't hesitate to contact us at the address below.



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